

State of New Hampshire
Workforce Investment Act – Title 1-B

Annual Report

*For the period July 1, 2003 through June 30, 2004
(Includes Related Grant Activities)*

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The Workforce Opportunity Council, Inc. is a sponsor of the NH WORKS system, a proud member of America's Workforce Network, and an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. TDD: 1-800-622-9180

INTRODUCTION

The fourth full year of Workforce Investment Act (WIA) operations continued to present challenges to New Hampshire's workforce development system as the state's economy slowly moved towards a more positive stance. While several industry clusters continued to see layoffs and lack of any real growth, other industries began hiring workers as projections of sustained revenues emerged.

The Workforce Opportunity Council, along with the coordinated effort of many of its partners, including New Hampshire's Department of Employment Security, Department of Education, Department of Resources and Economic Development, Department of Health and Human Services, the Community Technical Colleges, and the Community Action Association served the workforce of New Hampshire with programs funded by WIA, and other federal and state sources. The combined effort of all the partners highlighted the commitment to our state's population, and actively demonstrated the Council's vision and mission.

The Council's vision is to serve as a catalyst to establish a secure and sustainable workforce that can meet current and future skilled labor needs and provide a competitive advantage for New Hampshire businesses. Its mission is to promote life-long learning by partnering with businesses, agencies, and organizations to bring the state's education, employment and training programs together into a workforce development system that will provide the means for all residents of New Hampshire to gain sufficient skills, education, employment, and financial independence.

This fourth year of operation has seen new initiatives, as well as ongoing refinement of systems and programs implemented over the last two years. Just a few of the programs and initiatives the Council sponsored are highlighted below. More detailed information on all of the programs the Council oversees will be found in the pages that follow.

- * Secured federal funding of up to \$2.5 million dollars over a 5-year period to coordinate services to youth with disabilities who are transitioning to the job market.
- * Secured federal funding of up to \$2,384,782 to serve workers laid-off from the JacPac (Tyson Foods) plant in Manchester.

- * Received \$750,000 in federal Incentive Award funds for meeting last year's performance goals. Three different programs—Workforce Investment Act, Carl Perkins, and Adult Basic Education—were required to meet performance goals in order that New Hampshire could receive these funds. The three programs will collaborate on how to invest the funds to improve the workforce development system.
- * Secured federal funding of \$500,000 to engage grassroots faith-based and community organizations in assisting youth, aged 16-24, in Manchester's Enterprise Zone with job readiness skills.
- * Committed resources to redevelop a Job Corps proposal for New Hampshire. This effort will be ongoing, as the project is composed of several components.

It has been a busy, but exciting program year for the Workforce Opportunity Council. As we move into our fifth year of operations, the Council will continue to seek out opportunities to sponsor and implement innovative solutions to the ongoing challenges presented to our New Hampshire residents in their pursuit of career success and financially-secure futures.

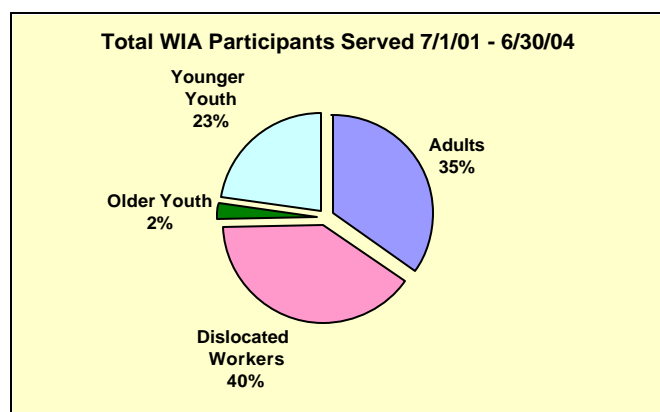
Workforce Investment Act – at a Glance

Total WIA Participants Served

Participants are often served over a period of time – often longer than a year – therefore, participants are tracked on a cumulative basis, covering the three-year period for which funds are available. For this year's annual report, the tracking period is from July 1, 2001 through the end of the current program year, or June 30, 2004.

The cumulative percentage of dislocated workers served with WIA funds over the last three program years was 40% - higher than any other class of participants. Adult participants totaled 35% of the total population served. WIA youth completed the served population, with 23% in the younger youth category (ages 14-18), and 2% in the older youth category (ages 19-21).

The participant distribution is not unexpected, given the general downturn of the economy that began in mid-calendar year 2000, and continued through most of the cumulative reporting period. The depressed economy caused an increased number of dislocated workers to seek services.



Unlike adults and dislocated workers who may initiate WIA services at any time throughout the year, the youth program recruits participants at the beginning of the program year. Once a youth enters the program, services to that individual generally continue over a period of one-to-three years. As a result, the number of new youth registrants in any particular year remains

a fairly constant percentage of the whole. Adult and dislocated workers, on the other hand, may fluctuate significantly from year to year due to economic factors.

Cumulative Total of Participants Served 7/1/01 – 6/30/04	
Adults	3,476
Dislocated Workers	3,967
Younger Youth	2,280
Older Youth	243
Total	9,966

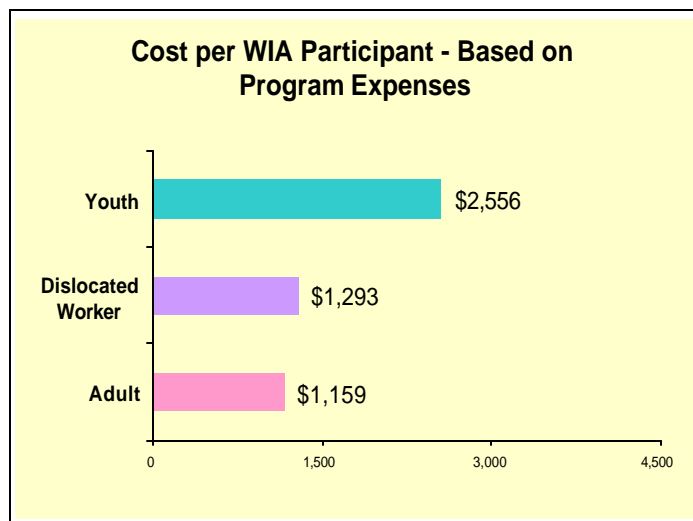
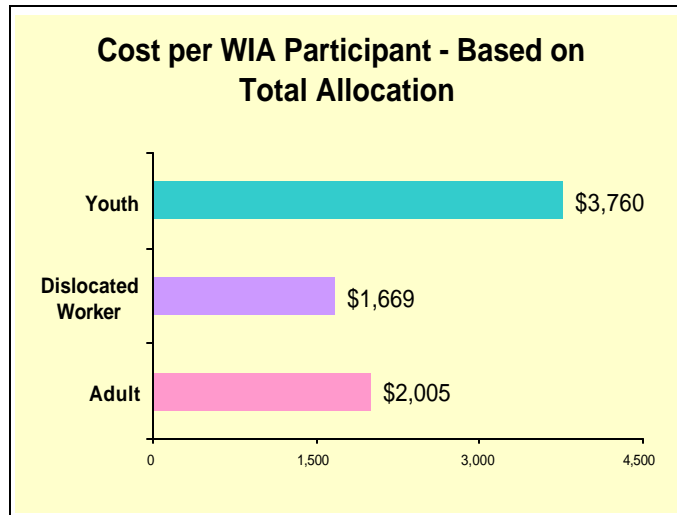
Cost per WIA Participant

Services provided to WIA participants include assessments of skills and interests, career counseling, resume-writing assistance, job-hunting assistance, job-interviewing assistance, skills training when deemed necessary, and various support and follow-up services. Some services, such as job search, may be on a self-serve basis. The provision of other services, including advanced job search and career counseling, are through staff intervention and assistance. The infrastructure of the NH Works Centers is designed to support both the self-serve and staff-assisted customer.

Cost per participant is generally defined as the total WIA allocation to the state divided by the number of participants served. This strict definition, however, fails to take into account that 15% of the total allocation may be reserved for special statewide projects initiated at the Governor's discretion. While some of these projects directly benefit participants with either additional training opportunities or other services, some projects are designed more for information gathering at the state level for strategic planning or other purposes. Although it could be argued that these activities do, ultimately, benefit the participants, it is difficult to show a direct correlation between these types of activities and participant outcome.

Therefore, two cost ratios will be presented in this report. The first is based on the strict definition noted above. The second ratio is based on total *program* expenditures divided by the total participants served. All funds and participant counts are aggregated for the three program years included in the reporting period.

As can be seen by the graphs below, the cost ratio based on total allocation indicates a higher cost per participant than the calculations based only on program expenditures to date. This cost is not considered reflective of actual program activities for the reasons noted above, specifically, the Governor's 15% reserve.



Referring to the total allocation chart, all funding streams indicated a decreased cost per participant compared to last year. These lower costs are attributed to an overall increase in participants from last year's cumulative total of 7,172 to this year's cumulative total of 9,966.

Performance Goals

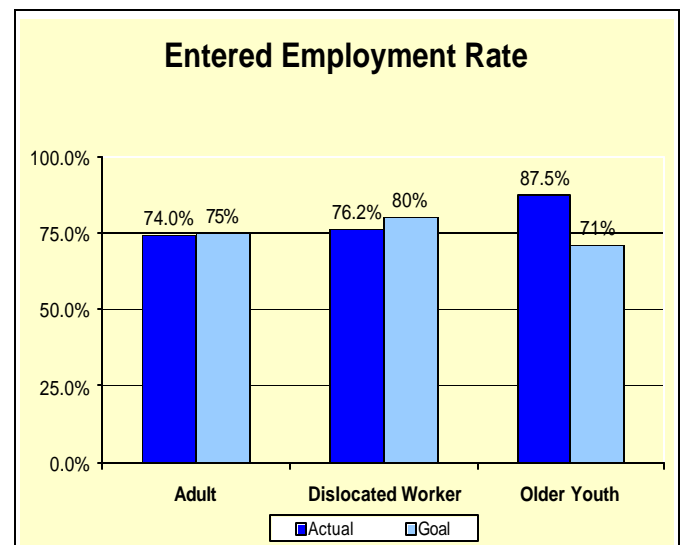
The U.S. Department of Labor (USDOL) requires that WIA programs report outcomes on a number of performance goals. A goal is considered met if the state achieves 80% of the goal.

This year, the reporting periods for the various goals were changed to allow for an earlier submission of the annual report. As a result, two quarters that were part of last year's performance information are again included in this year's performance information (the reporting periods overlap by 6 months). The basic formulas for calculating the performance outcome remained the same; however, direct comparison between prior-year outcomes and this year are not particularly meaningful due to the overlapping data. A selection of time-series graphs are included in an appendix to this report, to illustrate outcome trends over the past four program years.

Entered Employment Rate

The Entered Employment Rate is defined by the number of participants who exited the program and were employed by the end of the first quarter after exit. While it is recognized that some younger youth (those between the ages of 14 and 18) do enter the workforce, they are not included in this category as their primary environment is considered to be an educational setting.

Keeping in mind that if performance is at 80% of the goal, performance is considered met, New Hampshire met all entered employment rate goals.

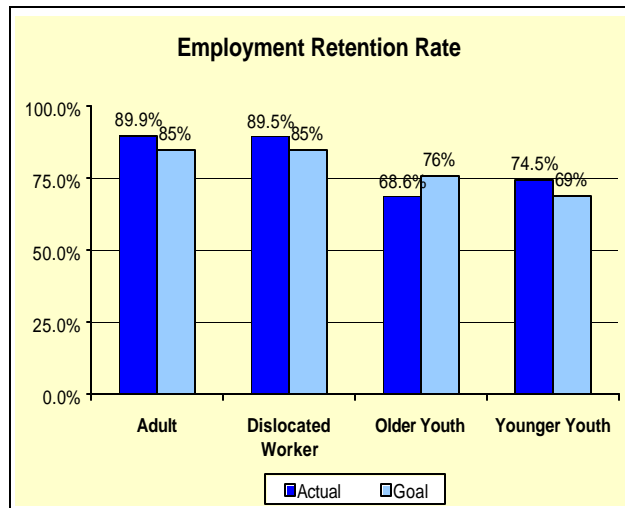


Employment Retention Rate

The Employment Retention Rate reflects the number of participants who were employed in the first quarter after exit and were still employed at the end of the third quarter after exit from the program.

Younger youth retention rates include positive outcomes such as post-secondary education, advance training, military service, and qualified apprenticeships.

New Hampshire exceeded three of the four goals. For older youth, the actual performance was 68.6% against a negotiated goal of 76%, which falls within the 80% of goal requirement set by the USDOL. Thus, New Hampshire met all four goals in this category.



Earnings Change and/or Earnings Replacement in Six Months

Pre- and post-program wages are measured to evaluate the effect of program participation on earnings. Unemployment Insurance wage records are used to calculate this information.

Adult wage changes are calculated on an actual dollar value. This year, New Hampshire renegotiated this goal, and was able to meet the changed goal by coming within the 80% window.

Older youth are also evaluated on an actual dollar value. Only those youth not enrolled in post-secondary or advanced training six months after exit are tracked.

The number of older youth in WIA programs has traditionally been few. Consequently, low wage gains by a small number of participants have a large impact on the overall measure. Happily, for this program year, not only did New Hampshire have increased enrollment in older youth programs over prior years, actual performance exceeded the goal.

Dislocated workers are evaluated on a replacement wage basis, which represents a percentage of their

wages prior to dislocation. The negotiated goal was revised to 84%. Actual performance was 76.6%, which is within the 80% performance window. Therefore, New Hampshire met all its goals in this category.

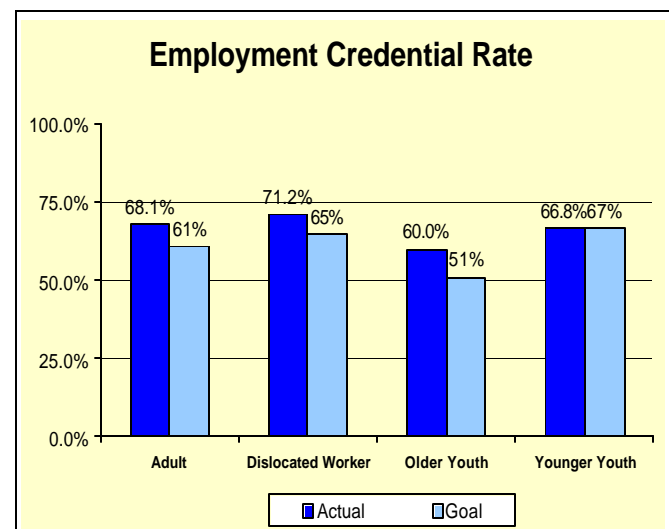
Earnings Change/Earnings Replacement in Six Months

	Goal	Performance
Adult	\$1,650	\$1,591
Older Youth	\$1,900	\$2,012
Dislocated Worker	84%	76.6%

Employment Credential Rate

The Employment Credential Rate represents the number of people who receive training services and received a certificate, diploma, or other credential following completion of training.

New Hampshire met all of the credentialing goals, exceeding three of them.



Customer Satisfaction

Customer satisfaction is an important measure of our system effectiveness. To ensure a fair and unbiased process, New Hampshire contracts with a third party to perform all customer satisfaction surveys.

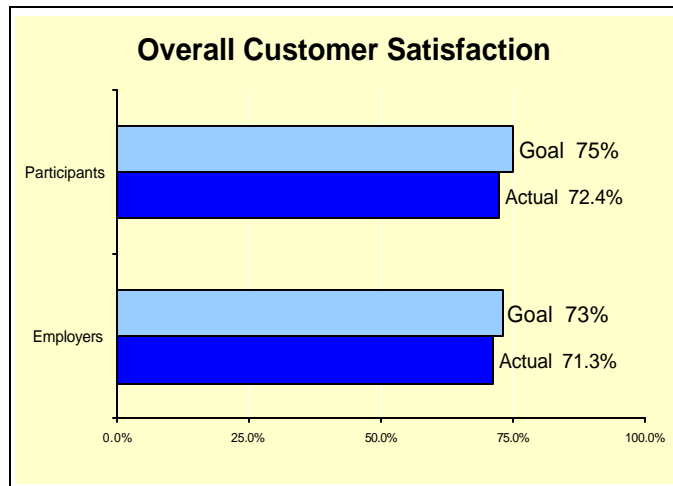
The results obtained from our surveys reinforce our positive service efforts, and assists us in directing resources to those areas that require some readjustments.

Number Eligible for Survey	
Participants	1,981
Employers	716
Survey Responses	
Participants	1,387
Employers	501
Survey Response Rate	
Participants	70%
Employers	70%

Both participants and employers are asked three basic questions relevant to their experience with the system:

- How satisfied are you with the services?
- To what extent have the services met your expectations?
- How well do the services compare to the ideal?

The Overall Customer Satisfaction scores reflect a weighted average of participant and employer ratings of each of the three questions, reported on a 0-100 scale.



Additional questions are then asked about specific services or service-delivery strategies. The information is compiled into quarterly reports which are reviewed by the Council's Performance Assessment Committee, as well as the NH Works Operator Consortium.

Many of our continuous improvement strategies find their beginnings in the customer satisfaction survey results. The survey has proven to be an effective evaluation tool, and the Council is always looking for ways to refine the survey to provide additional information useful to the continuous improvement process.

This year, while the actual performance outcomes are within the 80% window for meeting goals, there has

been a slight decline in overall customer satisfaction. It is felt that this is most likely attributed to a decline in satisfaction by the dislocated workers, due to the more extended lengths of unemployment experienced by this group. A more detailed presentation on our Customer Satisfaction approach is presented later in this report.

Continuous Improvement Efforts

New Hampshire continues to invest in continuous improvement activities. In April 2004, training in job development skills was offered over a 3-day period to 123 staff of the NH Works partner organizations. The cost of the training was offset by a special technical assistance grant from U.S. Department of Labor.

To enhance the skills of our front-line staff in the NH Works Centers, the Workforce Opportunity Council again sponsored an annual state-wide conference in May 2004, offering various workshops addressing team-building, customer satisfaction, equal opportunity/disability etiquette, and best/promising practices topics on workforce development. This year, a nationally recognized speaker presented a session on motivation, which created additional excitement in the overall program. As with the job development training, the cost of the annual conference was offset by a special technical assistance grant provided by the USDOL.

An Interagency Director Group (IDG), consisting of managers from the NH Works partners, meets monthly to discuss ideas and concerns that arise through daily operations. This group has implemented and overseen several continuous improvement pilot projects. Most recently, the group has initiated a Mystery Shopper project, the results of which will be reported to the NH Works Operator Consortium.

Ongoing program and fiscal monitoring also represent a commitment to continuous improvement of the system. Council staff visit service providers on a regular basis and address early questions and concerns to avoid potentially costly mistakes.

Programs

Under the Workforce Investment Act, New Hampshire is a single-delivery state, meaning that there is only one Workforce Investment Board for the entire state. Local and Regional Boards are not included in the WIA service-delivery approach. With that said, New Hampshire still tends to think in terms of state and local level service delivery, defining "local" as those programs that provide services directly to individuals. State level programs are defined as those designed to

improve the overall system through technology enhancements and staff training, as well as to initiate innovative projects with a goal towards ultimate self-sustainability of those projects.

At the local level, the Council contracts with four major partners to the WIA system:

- NH Department of Education
- Community Action Association
- NH Community Technical College System
- NH Dept. of Resources & Economic Development

The Department of Education administers the youth programs throughout the state. Both in-school and out-of-school youth are served through various providers such as Jobs for NH Grads, Project Pride, Southern NH Services, My Turn, Dover Housing Project, as well as school districts.

The local Community Action Programs provide services to eligible adults and dislocated workers. Services range from help with resumes and job-seeking skills to identifying training needs and assisting the individual in getting training designed to lead to self-sufficiency.

The Community Technical College System has traditionally assisted individuals in determining their eligibility for Pell Grants and other educational financial aid. In the coming program year, this role will change somewhat. It was recognized that as the system evolved, the need for a different set of services from our Technical College partner was needed. This coming year will pilot a new partnership between our organizations, the success of which will be discussed in next year's annual report.

Finally, the Department of Resources & Economic Development takes the lead in providing rapid response services in situations of mass layoffs. This agency meets with companies planning layoffs and, through a coordinated effort with the Department of Employment Security and the Community Action Programs, arranges informational sessions with affected workers to help them understand the services available to them during this stressful time.

Funding to our local service providers varies annually due to fluctuations in federal funding. Each year's WIA allocation may be expended over a period of three program years. The following chart indicates the total funds received by these organizations since the implementation of WIA in July 2000.

WIA-Funded Local Programs

7/1/00 – 6/30/04

Dept. of Education	\$11,890,453
Community Action Association	\$11,265,522
NH Com. Tech. College System	\$ 999,385
Dept. of Resources & Econ. Dev.	\$ 879,934

At the state level, the effort to bring a Job Corps Center to New Hampshire maintained a high priority. This project, supported with the 15% Governor discretionary fund, is discussed in more detail later in this report.

For the coming year, the Governor has committed funds to support an initiative to train incumbent workers. This program will be rolled out in October 2004.

Youth Initiatives

In addition to its oversight of the annual formula funds administered by the NH Department of Education, the Youth Council continued to monitor statewide programs begun last year and funded with the Governor's 15% Reserve funds. One program, a collaboration with the Department of Juvenile Justice, a division of Health and Human Services, is funding the Newport Enrichment Team and the Claremont Teen Resource Center and Coffeehouse. Both initiatives are designed to encourage youth to have an active interaction with the adult business world in an effort to develop job readiness skills.

Also ongoing, is an Internship Grant program to support projects designed to increase the number of students in quality internships.

For the coming year, the Governor has committed funds to support "Heads Together '05", a follow-up conference to the 2003 conference, which focused on the Prevention of School Dropouts. The upcoming conference, scheduled for January 2005, will again focus on increasing graduation rates in NH, as well as showcase programs and strategies that are working within schools and in community organizations for high school completion. The overall goal is to develop and build support for long-term policy on high school completion.

Participants Served

Demographic information on ethnicity is gathered on a strictly volunteer basis. While a good-faith effort is made to collect this information, many participants do not wish to volunteer this information.

The following table presents the general breakdown of our WIA participants' ethnicity, based on the information we were able to collect. Results are reported as percentages of the total population served over the past program year.

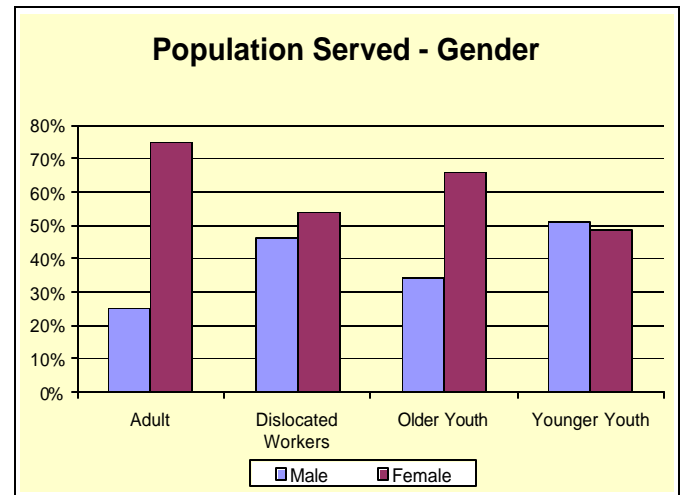
Population Served – Ethnicity					
	White	Hispanic	Black	Asian	Other/ Undeclared
Adult	77%	2%	5%	0%	16%
Disl. Worker	83%	0%	1%	1%	15%
Older Youth	64%	6%	5%	0%	25%
Younger Youth	72%	1%	2%	0%	25%

Categories with zero percent denotes that the percentage of the population served was smaller than one percent, not that there were no participants in that category.

A review of the population by percentage of gender indicates a fairly even split between male and female participants in dislocated and younger youth categories. However, the adult and older youth categories show a higher percentage of female participants.

The adult category, more so than the dislocated worker category, tends to serve a greater number of disadvantaged individuals with barriers to employment. As this population often consists of single mothers, the higher percentage of females in this service category is not unexpected.

Similar to last year, this year's older youth category again served a greater number of females than males by a significant amount. A review of recruitment and other program/policy issues indicate no specific reason for the gender ratio, but this will continue to be watched to determine if a specifically identifiable, but unintentional, pattern of recruitment/retention behaviors are emerging.

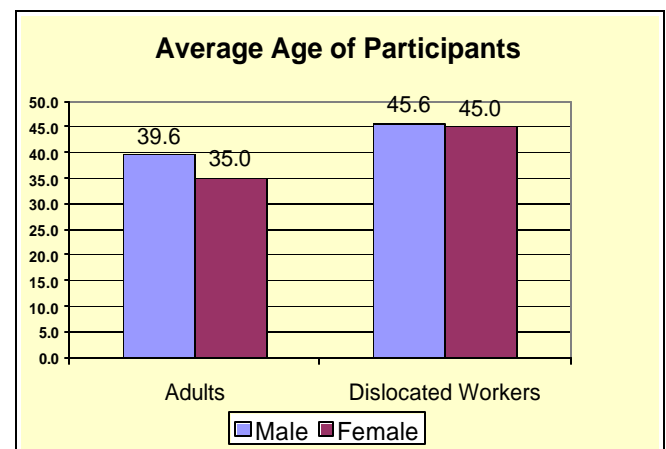


A look at the age of our population served reveals an average age of approximately 41½ years of age. For both adult and dislocated workers, the average age of the male population was higher than that of the female population.

For the adult category, the average age of our female population is 35 years old. For the men, the average age is 39½ years of age.

The age differences in the dislocated worker category are closer. The average age of both males and females is approximately 45 years of age.

It is interesting to note that this year's average age of adult and dislocated participants is very similar to last year, with an overall average age of 41½. The average age of male participants, in both the adult and dislocated worker programs, remained essentially constant between this year and last year. As with last year's female population, the adult female population this year is slightly younger (35 versus 37). Over the past two years, the average age of our female adult category has decreased by approximately 3 years. The female dislocated worker population remained constant.



Since the youth program serves a very specific age population, and that population is generally served over a period of one-to-three years, tracking average age of the youth population is not particularly useful.

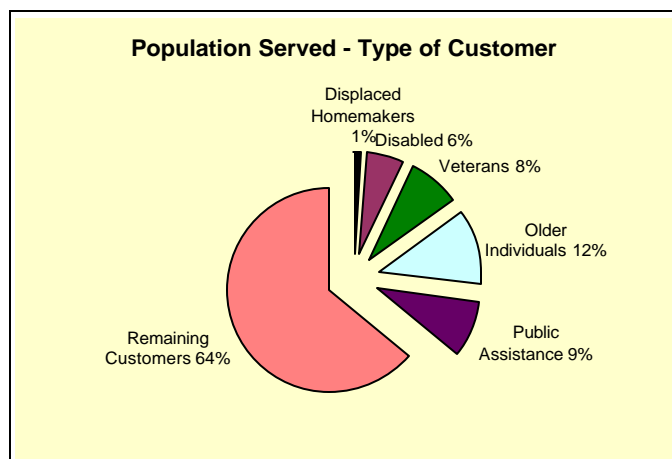
The age category for younger youth served with WIA funds is 14 to 18 years of age. Older youth are 19 to 21 years of age.

Finally, as part of our overall adult and dislocated worker customer base, our NH Works Centers serve veterans, individuals with disabilities, displaced homemakers, older individuals, and individuals receiving public assistance.

These special populations represent approximately 36% of our total customer base in PY03, a decrease from last year's 39%, but still above the PY01 level of 34%. All categories, with the exception of those individuals on Public Assistance, decreased by one to two percentage points.

Service to individuals on public assistance increased 1% from last year, leading to a 3% increase over the past two years. This is most likely due to the "priority of service" implemented late in PY01. Priority of service requires that individuals meet an income test as part of the eligibility process for accessing WIA training funds. This income test is geared toward individuals with low income and/or those individuals with multiple barriers to entering the workplace.

The chart below shows a breakout of the individual populations served with WIA Adult and Dislocated Worker funds.



Self-Serve Website Customers

NH Works offers a variety of informational services over its website www.nhworks.org. Activity on the site continues to be strong, with the job-search links receiving the majority of the site's activity.

Website Activity Summary	
Number of hits per month	500,000+
Number of page views per month	100,000+
Number of new users each month	6,000+
Average session length	12 minutes

The following page summarizes the Workforce Investment Act financial activity for the program years 2001 through 2003.

Table O, following the financial information, presents the PY2003 program performance. Thereafter, the Council's other activities are highlighted.

WIA Financial Statement

July 1, 2001 – June 30, 2003

<u>Operating Results</u>	Available	Expended	Pct.	Balance Remaining
Total All Funds Sources (PY01, 02, 03)	\$23,061,995	\$20,136,593	87%	\$2,925,402
Adult Program Funds	\$4,538,675	\$4,028,766	89%	\$509,909
Dislocated Worker Program Funds	\$5,335,391	\$5,128,765	96%	\$206,626
Youth Program Funds	\$7,653,040	\$6,447,550	84%	\$1,205,490
Out-of-school Youth	\$3,520,398	\$2,992,097	85%	\$528,301
In-school Youth	\$4,132,642	\$3,455,453	84%	\$677,189
Local Administration Funds	\$1,377,662	\$1,244,201	90%	\$133,461
Rapid Response Funds	\$698,728	\$634,350	91%	\$64,378
Statewide Activities Funds	\$3,458,499	\$2,652,961	78%	\$805,538

Adult and Dislocated Worker funds are adjusted for USDOL rescissions, reallocations, and Council transfers between the two programs.

Cost-Effectiveness*	C-E Ratio	Financial Positions	Amount
Overall, All Program Strategies	\$2,314	Total Assets	\$1,873,978
Adult Program	\$2,005	Current Assets	\$ 977,182
Dislocated Worker Program	\$1,669	Property, Equipment, Net	\$ 896,796
Youth Program	\$3,750	Operating and Other Assets	
*Calculated against total allocation		Current Liabilities	\$ 330,369
		Liabilities Less Long-Term Debt	\$1,197,877
		Long Term Debt	\$ 676,101

Table O - Performance

Local Area Name New Hampshire	Total Participants Served	Adults	923	
		Dislocated Workers	1,184	
		Older Youth	82	
		Younger Youth	674	
ETA Assigned # 33015	Total Exiters	Adults	660	
		Dislocated Workers	755	
		Older Youth	36	
		Younger Youth	427	
		Negotiated Performance Level	Actual Performance Level	
Customer Satisfaction	Program Participants	75	72.4	
	Employers	73	71.3	
Entered Employment Rate	Adults	75%	74.0%	
	Dislocated Workers*	80%	76.2%	
	Older Youth	71%	87.5%	
Retention Rate	Adults	85%	89.9%	
	Dislocated Workers	85%	89.5%	
	Older Youth	76%	68.6%	
	Younger Youth	69%	74.5%	
Earnings Change/Earnings Replacement in Six Months	Adults*	\$1,650	\$1,591	
	Dislocated Workers*	84%	76.6%	
	Older Youth	\$1,900	\$2,012	
Credential/Diploma Rate	Adults	61%	68.1%	
	Dislocated Workers	65%	71.2%	
	Older Youth	51%	60.0%	
	Younger Youth	67%	66.8%	
Skill Attainment Rate	Younger Youth	72%	78.1%	
Overall Status of Local Performance		Not Met	Met	Exceeded
		0	17	9

PERFORMANCE CODING:

Meets Goal
Exceeds Goal
Goal Not Met

* Renegotiated Goal for PY03

Other Council Activities

Job Corps Initiative

Last year, Governor Craig Benson appointed a Job Corps Center Task Force to address the various issues involved in bringing a Job Corps center to New Hampshire. The Governor determined that the lack of a successful job-training program such as Job Corps was a detriment to the state's business and economic growth. Only two states do not have a Job Corps – New Hampshire and Wyoming. The Task Force hopes to take New Hampshire's name off the list.

The Task Force consists of individuals from the business, legislative, educational, and economic development sectors. Members have been assigned to committees such as Awareness & Support, Partnership & Curriculum Development, Legislative Oversight, and Site Selection. Each committee's focus is on specific tasks that will move the project forward to a fully-developed proposal to be submitted to the U.S. Department of Labor.

This past year has seen some significant milestones. At the national level, the inclusion of favorable language in a Congressional bill and a preliminary Senate markup bill appropriating start-up funds for up to four new Job Corps Centers has provided Task Force members with much hope. At the local level, an effort to create an Alumni Association for past NH Job Corps graduates is gaining momentum.

All of these efforts to build awareness and support for New Hampshire getting its own Job Corps Center are coming to fruition. The coming year will tell more of the story.

National Emergency Grants

Over the past year, the Workforce Opportunity Council continued to serve targeted populations from company layoffs that exceeded 50 people. This funding, labeled National Emergency Grants (NEGs), is in addition to the formula funds (standard WIA allocations) and, unless otherwise authorized, may be used to serve only the targeted population identified in the grant request. Most NEGs are approved for a two-year service period with specific start and end dates identified.

National Emergency Grants are usually approved for up to a maximum amount, with the USDOL releasing incremental funding as the grant progresses. For example, the grant may have been approved for up to \$2 million, but only \$750,000 was initially released. Requests for additional funding are required, and are approved based on the project's progress.

This year saw three new grants come into the state. The first was a multi-company grant the Council applied for at the end of the last program year. The original proposal requested assistance for 85 hi-tech companies that had experienced layoffs. The final funding approved by USDOL was for six companies: Hewlett Packard Corporation, Verizon, Great Plains Business, Nortel, Aprisma Software, and Samnina. The grant is currently serving 88 individuals, with expectations of more individuals becoming eligible for services within the next few months.

National Emergency Grants

Multi-Company High Technology

Date Received	06/25/2003
Amount Approved (up to)	\$1,085,740
Incremental Funding (6/30/04)	\$ 720,403
Amount Expended (6/30/04)	\$ 315,774
Number Currently Serving	88

JacPac (Tyson) Foods

Date Received	02/01/2004
Amount Approved	\$2,384,782
Incremental Funding (6/30/04)	\$1,470,662
Amount Expended (6/30/04)	\$ 365,909
Number Currently Serving	260

Flextronics

Date Received	06/30/2004
Amount Approved	\$ 200,000
Number to be Served	50

In January 2004, JacPac Foods in Manchester closed their doors. Just over 500 individuals lost their jobs as a result of this closure. The Council quickly submitted a proposal to the U.S. Department of Labor for additional funds to serve these individuals. In a very short turn-around, the USDOL approved over \$2

million, with an initial grant of almost \$1.5 million. These funds support a Worker's Assistance Center that is devoted to serving the individuals previously employed at JacPac. Services include the usual job readiness skills of resume writing, interviewing, skill assessment, and job search techniques. But in addition, and due to the demographics of the population being served, the Center has been offering ESOL classes and computer skills training. To date, several individuals have been successful in securing new employment at wages at the same or higher rate than what they were making at JacPac Foods.

The third National Emergency Grant came in on the last day of the program year. Flextronics International laid off approximately 200 individuals in May 2004. Again, the Council quickly submitted a proposal to USDOL, who, with equal quickness, approved a grant for \$200,000 to serve an estimated 50 individuals.

Other Grants

Over the past year, the Council has continued to administer a \$3 million grant from the U.S. Department of Labor, under the H-1B Technical Skills Training Grant Program.

To date, the Council's grant has provided skill upgrades to over 600 nurses currently working in New Hampshire. Training was focused in such specialty care areas as emergency, critical care, pediatrics, medical-surgical, geriatrics, and women's health issues. Preceptor training, designed to increase the number of "mentors" available to new nurses completing their required clinicals, was also a popular training focus.

In addition to the incumbent worker training, this grant has provided numerous forgivable loans to individual nursing students, or those accepted into nursing schools and soon to begin their nursing careers. These loans pay up to \$5,000 of a student's tuition. For the loan to be forgiven, the student must successfully complete their courses and commit to working in a New Hampshire facility for one year after licensing, which is expected to be immediately after graduation. To date, the grant has funded approximately 1,000 loans in varying amounts. These loans have helped many Associate Degree RNs pursue their Bachelor's Degree.

Additionally, several BSNs have been helped in their pursuit of a Master's Degree. Similar to the undergraduate loan program, individuals qualifying for a forgivable loan to fund Masters-level classes must commit to teaching at least two nursing courses in a NH institution in the year following their graduation. It is

hoped that this will help alleviate the lack of capacity problems which currently exist in the system.

This grant was originally scheduled to close on September 30, 2004, but was granted an extension to April 1, 2005. This extended timeframe will allow for additional funding of forgivable loans in the 2004 fall semester.

In September 2003, the Council received a grant from the USDOL, Office of Disability Employment Program (ODEP). The grant is up to \$2.5 million over a 5-year period (\$500,000 per year if continued funding received). The project is designed to map resources available and to coordinate services offered throughout the state to youth with disabilities, assisting this targeted population to transition into the workforce.

H-1B Technical Skills Training Grant

Date Received	10/01/2001
Amount Received	\$3,000,000
Amount Expended (6/30/04)	\$2,470,760
Total Match Received (6/30/04)	\$1,557,253
Number served (6/30/04)	1,667

Youth in Transition Grant

Date Received	09/30/2003
Amount Received	\$ 500,000
Amount Expended (6/30/04)	\$ 44,333
Number Served	n/a at this time

Faith-Based Community Organization Grant

Date Received	07/01/2004
Amount Received	\$ 500,000
Number Expected to be Served	225

Just after the program year ended, the Council received word that their submission for a faith-based community organization initiative was approved for funding. This grant is designed to engage grassroots organizations in the workforce development system, while providing job-readiness skills to approximately 225 youth, aged 16-24, living in Manchester's enterprise zone.

Success Stories

The programs administered by the Council are judged in various ways by various agencies and individuals. Some judgments are objective, such as the performance goals discussed in this report. Other judgments come through the experiences of the people accessing the

services made available to them through our grant funding.

Often in the daily workflow, it's easy to forget the impact these services have on individual lives. Therefore, the occasional note of thanks provides an opportunity to reflect on this very issue. Below are just a couple of examples of how lives are changed with these programs:

Janet Nolan had been laid off from Moore North America in January 2002, where she had worked for 17 years as a contract administrator.

Janet is a single woman, with a mortgage, taxes, and all the other bills of life. She had been unsuccessfully looking for employment for two years. With the economy still in a slump, and a supply of eager workers available, Janet was being passed over due to employers' ability to hire others at lower wages.

She interviewed at a law firm for a legal secretary/assistant, and the firm wanted to hire her. But, because she had no legal experience or education, she ultimately was not given this opportunity at employment.

While obtaining her Associates Degree, Janet had taken a Business Law course and enjoyed it. She decided to pursue paralegal training. After working through all the details with her case manager, Janet was able to complete her paralegal education.

As it happens, the position at the same law office became available again. With her completed paralegal education now a reality, Janet again applied for the position and this time, was hired.

Janet's journey illustrates that dreams can come true. While her road to success was perhaps a bit longer than she might have wished, the NH Works system was able to assist Janet in reaching her goals. Way to go, Janet!

From one of our youth programs, comes another success story. Amanda entered the WIA youth program in her junior year of high school. She had a few vague notions of what she might want to do once she graduated, but hadn't really thought about any particular jobs or how to pursue them.

By the end of her first semester in her senior year, Amanda became very interested in the health field. Through a number of class exercises devoted to career assessment and exploration, Amanda continued her research into health-related occupations. She began to look into ways of getting her nursing degree.

With research, she was able to identify a variety of entry points into her chosen field. Through hard work and perseverance, Amanda finished LPN training and is currently working in a long-term care facility. It's anyone's guess whether Amanda will continue on to obtain her RN degree, but given her diligence in pursuing her LPN, it's a pretty sure bet she'll make it if she puts her mind to it. Great job, Amanda!

Summary

The Workforce Opportunity Council is pleased to offer this annual report summarizing our activities.

On behalf of all our partners, we wish to take this opportunity to acknowledge the dedication and hard work of all the individuals involved in providing services through the NH Works system – both inside and outside the physical Center locations. Without these committed individuals, there simply wouldn't be a NH Works system.

Workforce Opportunity Council Members - as of September 2004

Dick Anagnost, Chair

Juliana Eades	Michael Gilman	Clifford Newton
Nancy Barnes	Debra Grabowski	Sean O'Kane
Roberta, (Mitzi) Barrett	Mark Hathaway	Bob Paul
David Boisvert	Gale Hennessy	Sarah Potter
Frederick Bramante, Jr.	Robert Ives	Russell Prescott
James Casey	David Juvet	John Ratoff
Kevin Cash	Jay Kahn	Alan Reische
James Dalley	David Lang	David Robar
Jessie Devitte	Sylvia Larsen	Christopher Shaban
Joseph Diamant	Eliza Leadbeater	William Simonton
Dick Dunfey	Carl Lindblade	John Stephen
Gary Matteson	Mark MacKenzie	James Wagner

Youth Council Members - as of September 2004

Roberta (Mitzi) Barrett, Chair

Tom Bamberger	Francoise Elise	James Palmeri
Lauren Bressett	Steve Guyer	Ellen Shemitz
Kevin Cash	Nate Hughes	Kimberly Shepard
Ernest Collier	Bruce Labs	Tom Wisbey
Kathy Condon	Sylvia Larsen	
Deana Cowan	Paul Leather	
Michele Desmond	Willard Martin	
Joseph Diamant	Donna McAdam	
Kathryn Dodge	Debra Naro	

Appendix A

New Hampshire Annual Performance Time Series

New Hampshire Performance Measures Time Series

The following pages contain a history and analysis of New Hampshire WIA Performance Measures for Program Years PY2000 through PY2003. When examining this time series, two things must be kept in mind:

1. Program Year PY2000 was a partial year of WIA implementation, and was characterized by the transition from programs under the prior Job Training Partnership Act (JTPA) to WIA programs. Program Year PY2001 was the first full year of WIA implementation. Declines in performance in some measures from PY2000 to PY2001 are in part due to this transition from JTPA to WIA.
2. Program Year PY2003, the current year, is a program year that shares two common quarters with PY2002. In order to fulfill the United States Department of Labor's responsibilities to report to Congress on the financial and performance results of Federal programs in a timely way and to inform budget decisions, the Department ordered the PY 2003 WIA Annual Report due date and time periods revised as outlined below:

Time Periods to Be Reported in the WIA Annual Reports for PY 2002 and PY 2003

	Annual Report PY 2002	Annual Report PY 2003
Due Date:	December 1, 2003	October 1, 2004
Reporting Item	Time Period (Exit Cohort) to Be Reported	
Total Participants	7/1/02 to 6/30/03	7/1/03 to 6/30/04
Total Exiters	7/1/02 to 6/30/03	4/1/03 to 3/31/04
Youth Diploma or Equivalent Rate	7/1/02 to 6/30/03	4/1/03 to 3/31/04
Skill Attainment Rate	7/1/02 to 6/30/03	4/1/03 to 3/31/04
Employer Customer Satisfaction	7/1/02 to 6/30/03	1/1/03 to 12/31/03
Participant Customer Satisfaction	7/1/02 to 6/30/03	1/1/03 to 12/31/03
Entered Employment Rate	10/1/01 to 9/30/02	10/1/02 to 9/30/03
Credential and Employment (Adults/Dislocated Workers) or Credential Rates (Older Youth)	10/1/01 to 9/30/02	10/1/02 to 9/30/03
Six Month Retention Rate	10/1/01 to 9/30/02	4/1/02 to 3/31/03
Six Month Earnings Change or Earnings Replacement	10/1/01 to 9/30/02	4/1/02 to 3/31/03
Younger Youth Retention Rate	10/1/01 to 9/30/02	4/1/02 to 3/31/03
Placement in Nontraditional Employment,	10/1/01 to 9/30/02	10/1/02 to 9/30/03
Wages at Entry to Employment, Entry into Training-Related Employment		
12-Month Retention	10/1/00 to 9/30/01	10/1/01 to 9/30/02
12-Month Earnings Change or Earnings Replacement	10/1/00 to 9/30/01	10/1/01 to 9/30/02

Entered Employment Rates

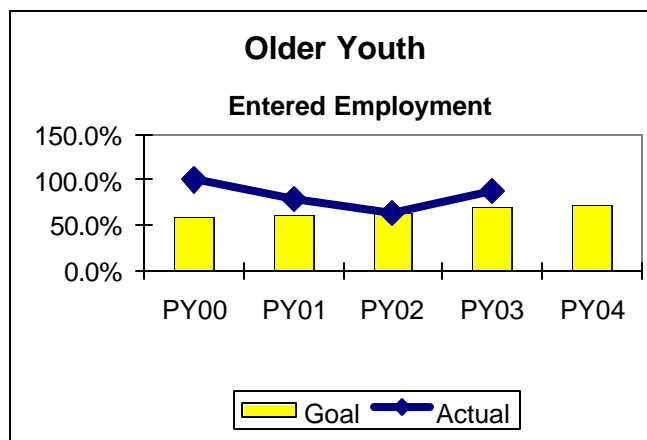
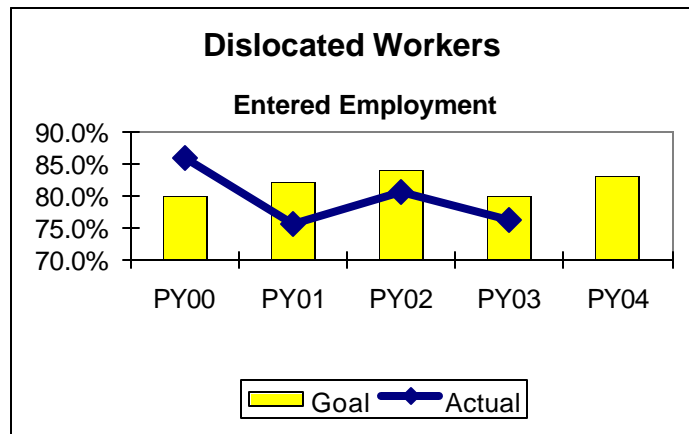
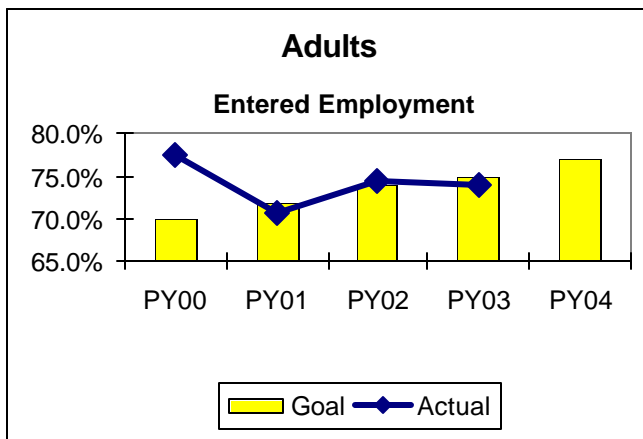
Entered Employment Rates reflect the number of participants who exited the program and were employed by the end of the first quarter after exit.

Performance is considered met if 80% of the goal is achieved. New Hampshire met the entered employment rate goal for adults for all of the years from PY2000 through PY2003. In two years (PY2001 and PY2003), New Hampshire's actual performance was within 80% of the goal for that program year. In two other years (PY2000 and PY2002) New Hampshire exceeded the adult entered employment goal.

For dislocated workers, the entered employment rate goal was met for all years from PY2000 through PY2003, as actual performance was within 80% of the goal for that program year.

In June 2001 New Hampshire had a non-farm employment level of 638,400. The data from the current employment survey for June 2004 shows 634,900 non-farm jobs in New Hampshire, about 3,500 fewer jobs. Therefore, it has been more difficult for dislocated workers to find employment in the Granite State.

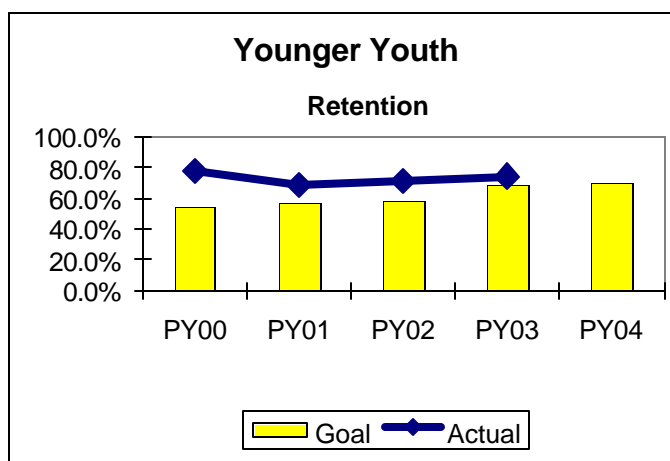
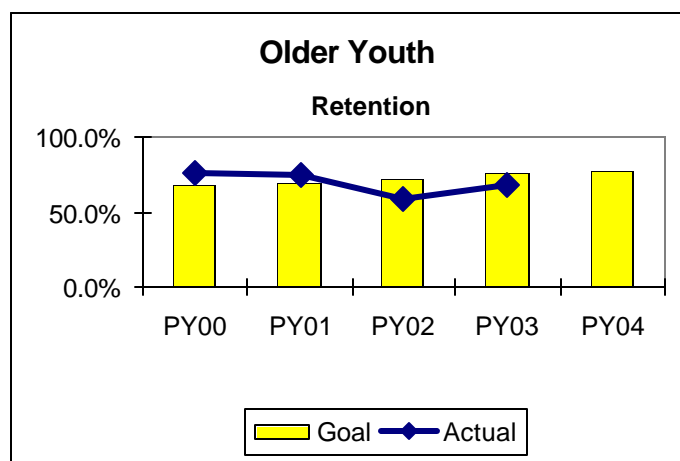
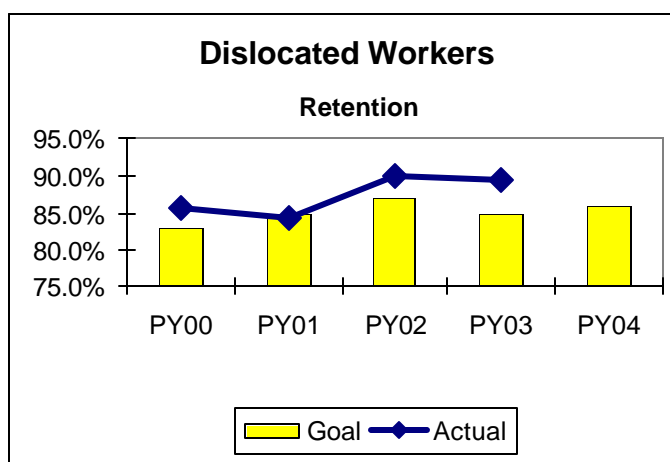
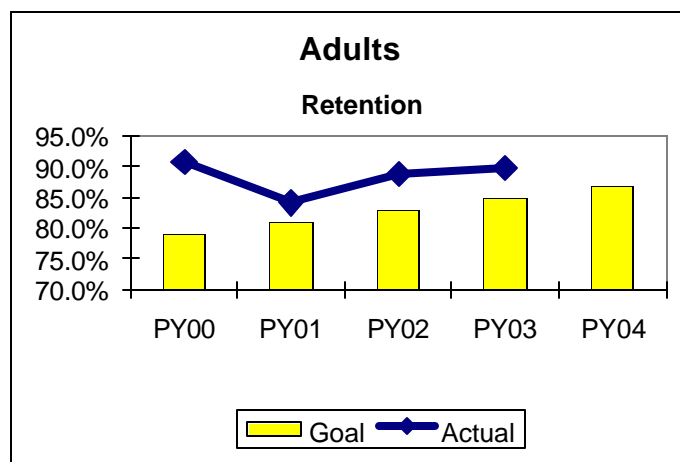
Older youth also met this goal for the past four program years. Younger youth are not measured in this category as their primary setting is considered to be an educational environment.



Employment Retention

The Employment Retention Rate reflects the number of participants who were employed in the first quarter after exit and were still employed at the end of the third quarter after exit from the program.

New Hampshire met or exceeded the goals for retention rates for all of the program years from PY2000 to PY2003.



Earnings Change

Pre- and post-program wages are measured to evaluate the effect of program participation on earnings. In New Hampshire unemployment insurance wage records are used to track this information – no supplementary sources of wage data are used to make this calculation.

Adult wage changes are calculated on an actual dollar value. Of those adults who are employed in the first quarter after exit, their total post-program earnings in the second and third quarters after exit are compared to their earnings in the two quarters prior to their entry quarter.

Based on economic circumstances in 2000, the high level of assistance provided through TANF and welfare-to-work to public assistance recipients, and the principle of universal access, New Hampshire did not institute 'priority of service' for WIA Adult Program customers. As a result, a much higher number of individuals participating in the Adult Program were not 'low income'. The outcome, when coupled with declines in the New Hampshire economy, was that post-program wage gains normally associated with low income exiters did not materialize.

The impact of this can be seen particularly with a small number of outliers. For example, from October 2001 to March 2003, 42 non-low income adult exiters had annualized pre-wages of more than \$40,000. When calculating the adult earnings change measure, they had an average wage loss of \$11,330.63 on exit.

According to NH's PY2002 annual report, of the exiters that made up the adult earnings change measure, 88 were low income and 250 were non-low income. Of those who were low income the average earnings change was \$2,410, while those who were non-low income had a wage gain of only \$246.

For comparison purposes, in PY2002 low-income adults made up only 26% of New Hampshire's Adult total while all the other New England states had more than 64% low income.

In addition, those adults receiving core and intensive services drove the earnings change. According to NH's PY2002 annual report, of the exiters that made up the adult earnings change measure, 279 received training and 148 received only core and intensive services. Of those who received training, the wage gain was \$1,081 while those who only received core and intensive services had a small wage gain of \$46.

While New Hampshire exceeded the adult earnings performance goal in PY2000, New Hampshire failed the goal in PY2001. New Hampshire renegotiated this goal in PY2002, and was able to meet the goal as changed. New Hampshire also renegotiated a revision to its PY2003 Adult Earnings Change from \$1,850 to \$1,650, and met the renegotiated PY2003 goal, by coming within 80% of it.

Dislocated workers are evaluated on a replacement wage basis, which represents a percentage of their wages prior to dislocation. Of those dislocated workers who are employed in the first quarter after exit, their total post-program earnings in the second and third quarters after exit are compared to their earnings in the two quarters prior to their dislocation quarter.

The so-called jobless recovery in New Hampshire masked an important change in the mix of jobs – loss of higher paying jobs that were replaced with lower paying jobs. For example, recently released occupational wage data shows that New Hampshire Management occupations declined by almost 4,300 from 1999 to 2002 – these occupations had the highest median annual salary at \$52,520 in 1999. New Hampshire lost more than 12,000 production occupations in the same time period that paid a 1999 median annual salary of \$23,000.

By comparison from 1999 to 2002 New Hampshire gained 5,300 jobs in the Food Preparation occupations that paid an annual 1999 median wage of \$14,600. New Hampshire gained 2,830 jobs in Personal Care and Service occupations that paid an annual median wage of \$16,000. From 1999 to 2002 New Hampshire lost jobs in about 22,000 occupations that paid an average annual wage of \$31,000, while gaining 25,000 jobs in occupations that paid an average annual wage of less than \$25,000.

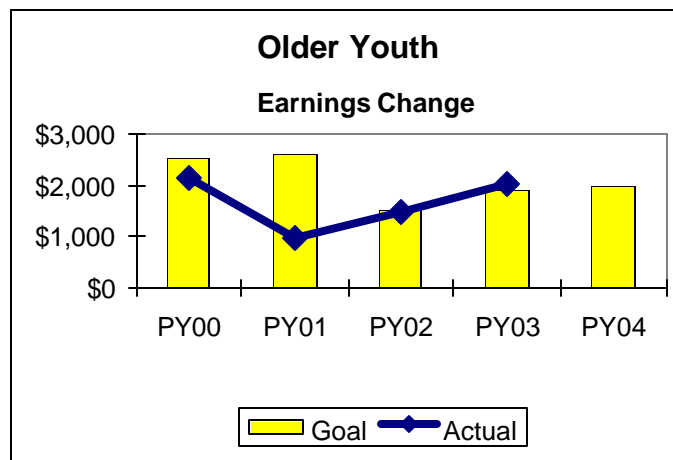
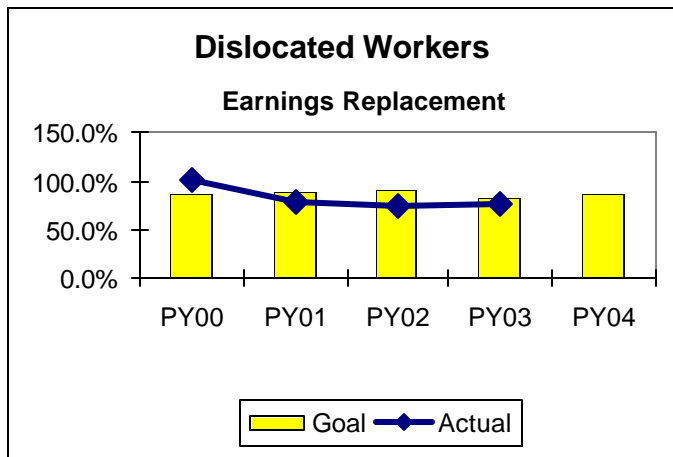
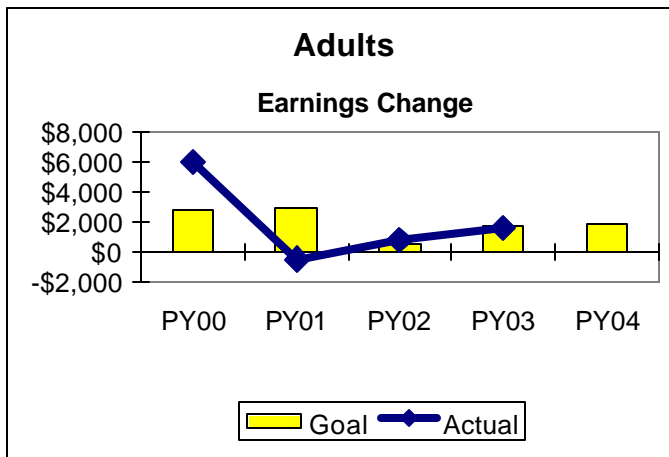
Except for the first program year, where performance exceeded the goal, New Hampshire's actual performance for dislocated workers was within 80% of the goal for each program year.

The older youth population is very small. Only 30 youth made up the older youth earnings change measure in PY2002, and only 36 made up the measure in PY2003. This data reflects New Hampshire's design and commitment to dropout prevention and serving younger youth. New Hampshire's older youth earnings

change pool size is 50% less than the next closest New England state (Rhode Island) and less than one-tenth of the largest pool size (Massachusetts). This small data set gives each individual in the measure a large impact on the overall performance.

Of the older youth exiters in PY2002 and PY2003 in the earnings change measure, 51% were youth with disabilities. This percentage is nearly twenty percent more than that experienced in Vermont, which was the next highest state in the region for older youth with disabilities in this measure.

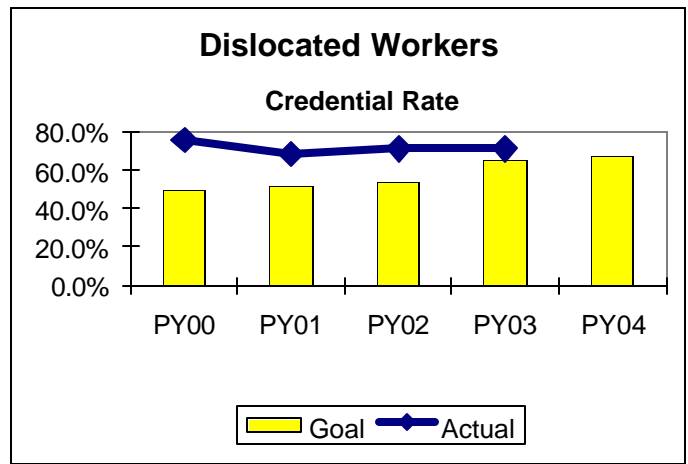
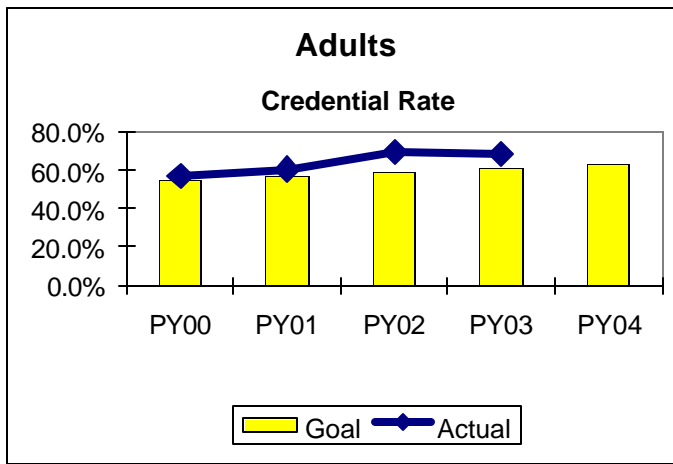
While New Hampshire exceeded the older youth earnings performance goal in PY2000, New Hampshire failed the goal in PY2001. New Hampshire renegotiated this goal in PY2002 and was able to meet the goal as changed. New Hampshire also met the PY2003 goal.



Employment Credential Rate

The Employment Credential Rate reflects the number of people who receive training services and received a certificate, diploma or other credential following completion of training.

New Hampshire exceeded the goal for employment credential rates for all of the program years from PY2000 to PY2003.



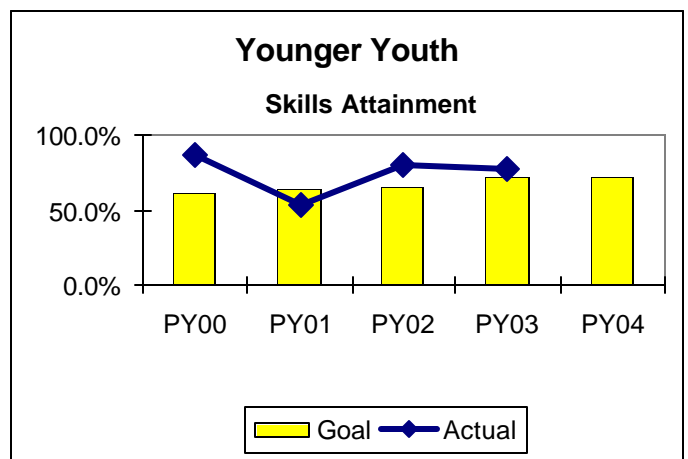
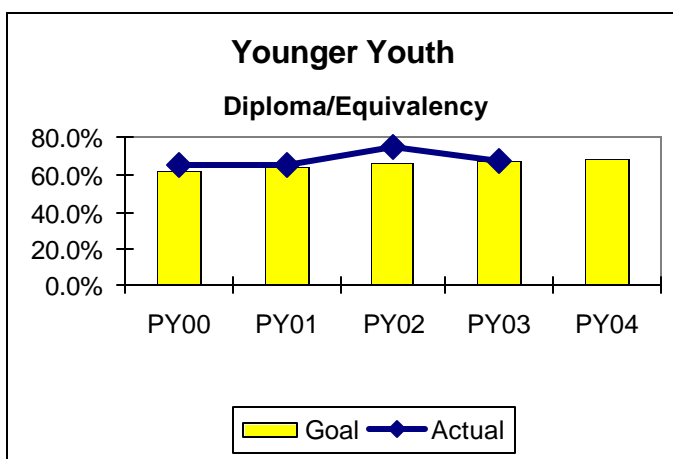
Younger Youth Diploma/Equivalency and Skills Attainment

The Younger Youth diploma/equivalency rate measures the number of younger youth (ages 14 to 18) who obtain a secondary school diploma or equivalent.

New Hampshire met the diploma/equivalency rate goal for younger youth for each program year.

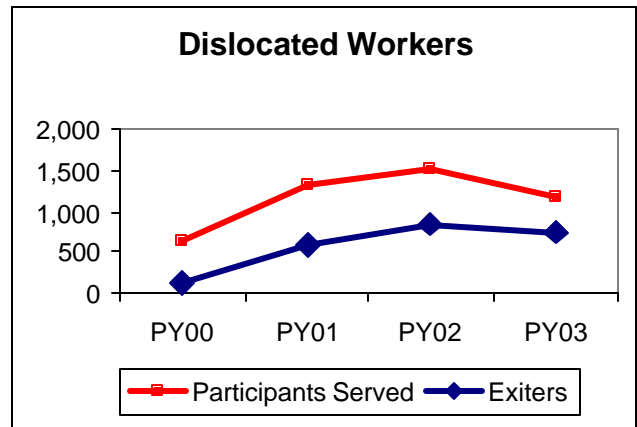
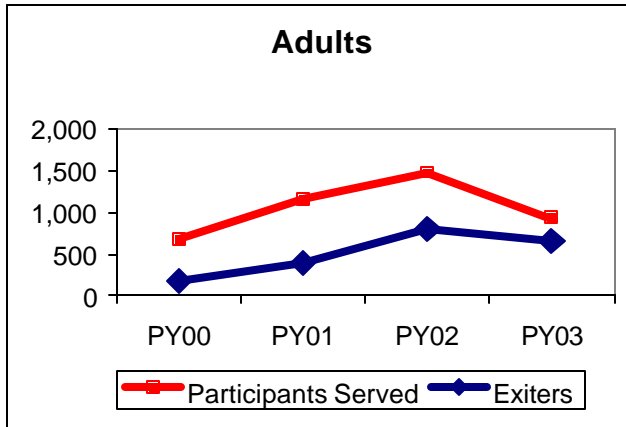
Younger youth skills attainment is a measure of basic, work readiness or occupational skills, calculated using all of the in-school and out-of-school youth who are assessed to be in need of basic, work readiness, and/or occupational skills.

New Hampshire met the skills attainment goal for younger youth for all years from PY2000 through PY2003, having either met or exceeded the 80% window of goal achievement.



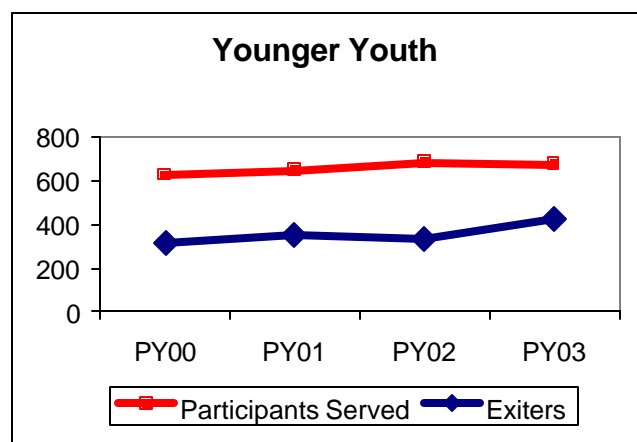
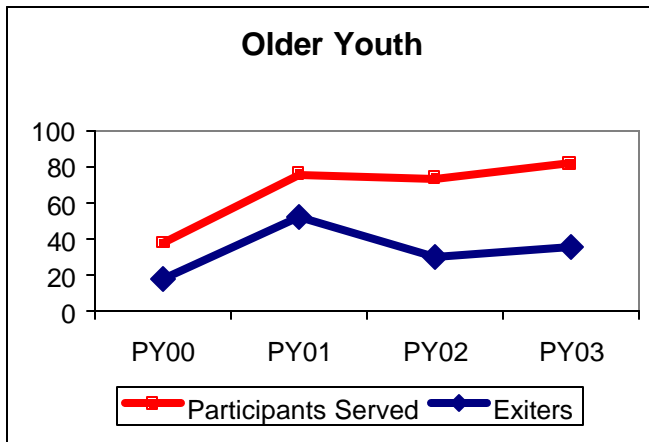
Total Participants Served and Total Exiters

The following charts show the total participants served, and total exiters, for each Program Year between PY2000 and PY2003. While information presented previously in the annual report reflects aggregated totals, these charts look strictly at each program year's participants and exiters.



Participants served have declined in PY2003 for Adults and Dislocated Workers, which may reflect an improving economy.

Youth participants and exiters have stayed relatively steady, due primarily to the design and setting of the programs, which differs greatly from the adult and dislocated worker approach.



Appendix B

New Hampshire Customer Satisfaction Study

New Hampshire Customer Satisfaction Time Series

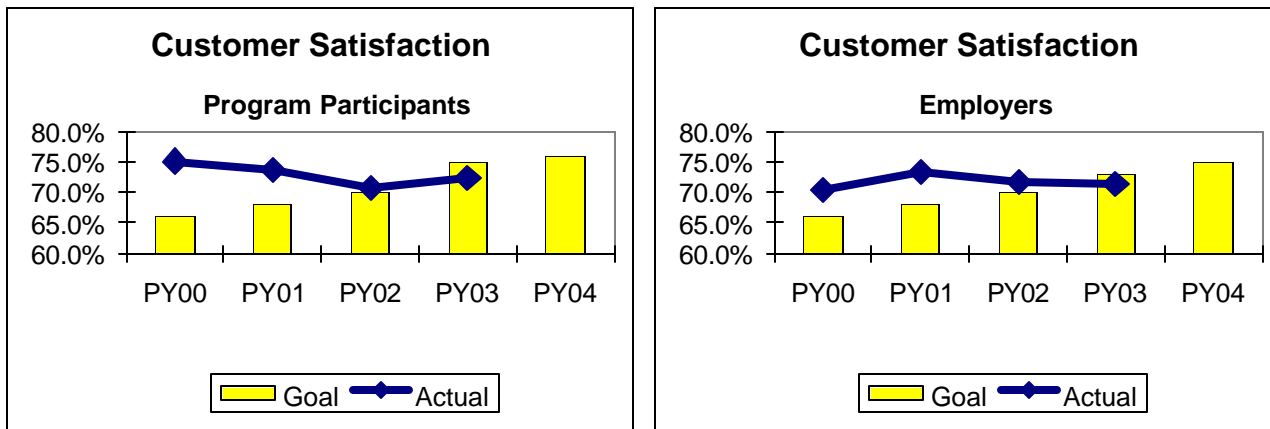
Customer satisfaction is an important measure of the effectiveness of the New Hampshire Workforce Investment Act System. To ensure a fair and unbiased process, New Hampshire contracts with a third party (RKM Research and Communications, Inc.) to perform all customer satisfaction surveys. The result obtained from our surveys reinforces our positive service efforts, and also assists us in directing resource to those areas that require some readjustments.

Both participants and employers are asked three basic questions relevant to their experience with the system:

- How satisfied are you with the services?
- To what extent have the services met your expectations?
- How well do the services compare to the ideal?

The overall customer satisfaction scores reflect a weighted average of each of the three questions reported on a 0-100 scale.

With performance considered met at 80% of the goal, New Hampshire met the customer satisfaction goal for program participants and employers for all of the years from PY2000 through PY2003



In addition to the information collected for the American Customer Satisfaction Index Score (ACSI), additional questions are asked about specific services or service delivery strategies. The information is compiled into quarterly reports, which are reviewed by the Council's Performance Assessment Committee, as well as the NH Works Operator Consortium.

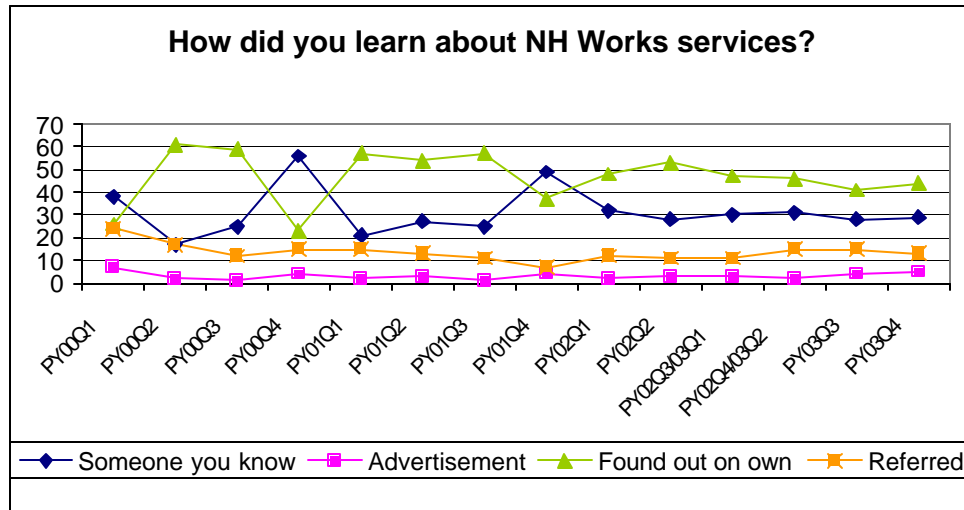
Many of our continuous improvement strategies find their beginnings in the customer satisfaction survey results. The survey has proven to be an effective evaluation tool, and the Council is always looking for ways to refine the survey to provide additional information useful to the continuous improvement process.

Program Participants

Most participants learn about NH Works on their own, or from someone they know.

Adult and Dislocated Worker participants were asked how they found out about the services they received from a NH Works Job Center, while Older and Younger Youth participants were asked how they learned

about the services they received through the youth program in which they were involved. The results continue to show that most participants learn about NH Works on their own, or from someone they know.



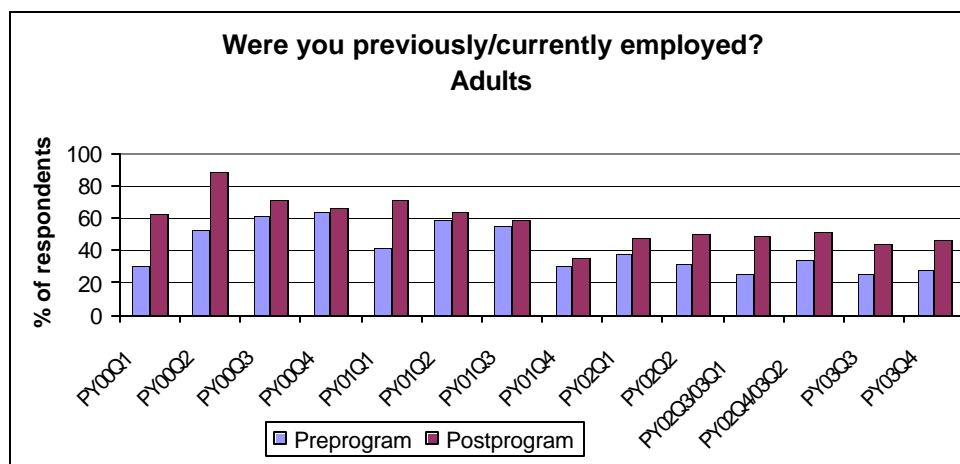
In the most recent survey five percent of participants in program year 2003 reported that they learned about the services they received through an advertisement or promotion. Thirteen percent stated that another group or organization referred them.

Employment after NH Works participation depends on category of services received.

Survey respondents are more likely to be employed after receiving services through NH Works, but increasing numbers remain unemployed.

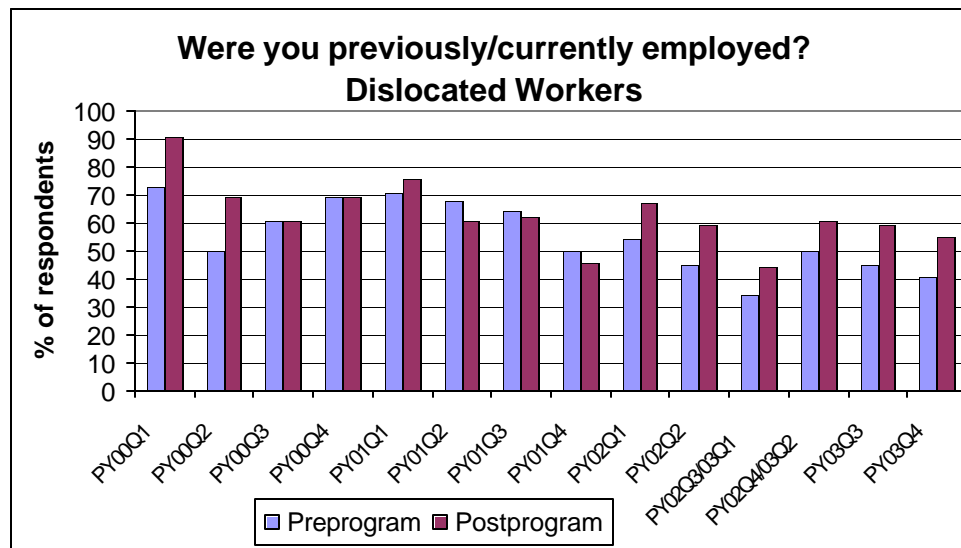
For the fourth year in a row, results indicate that unemployed Adult participants are more likely to be employed after receiving services than before receiving services through NH Works. For instance, one-fourth of Adults (26%) were employed prior to receiving services in PY2003Q4, and nearly one-half (45%) were employed after receiving services. This represents a 19-point increase.

However, the overall proportion of Adult participants employed after receiving services has decreased each year since program year 2000. In other words, the unemployment rate among incoming participants is increasing faster than the rate at which NH Works is helping these customers to find jobs after they receive services. Average weekly earnings among Adult participants also increased during the last quarter of program year 2003, from \$321 before receiving services to \$364 after services.



Unlike the Adult population, which is increasingly made up of low income and unemployed individuals, the Dislocated Worker population has remained relatively stable over time. During the last quarter of program year 2003, 43 percent of Dislocated Worker participants reported that they were employed prior to receiving services. Over one-half of Dislocated Workers (57%) reported that they were employed after receiving services, which represents a slight increase from program year 2002 (55%). Compared to Adult participants, however, these figures have remained relatively consistent since 2001.

Also unlike most other participant groups, Dislocated Workers typically experience a decrease in average weekly earnings after receiving services, compared to their pre-program average weekly earnings. Through the last quarter of program year 2003, average weekly earnings for Dislocated Workers dropped from \$518 before receiving services to \$456 after receiving services. This result reflects the changes in job growth from high-paying industries (technology, manufacturing) to lower-paying industries (retail, hospitality).



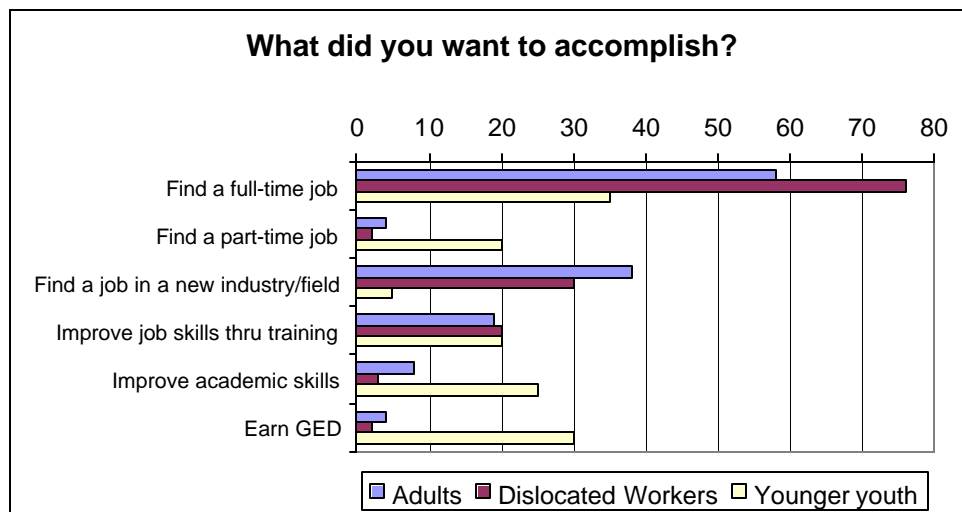
The service provided through NH Works is helping participants in all groups achieve their goals.

When asked what they wished to accomplish when they began receiving services through NH Works, many Adult participants reported that they wanted to find a full-time job (58%), a job in a new field (38%) or a part-time job (4%). Nineteen percent mentioned that they wanted to improve their job skills.

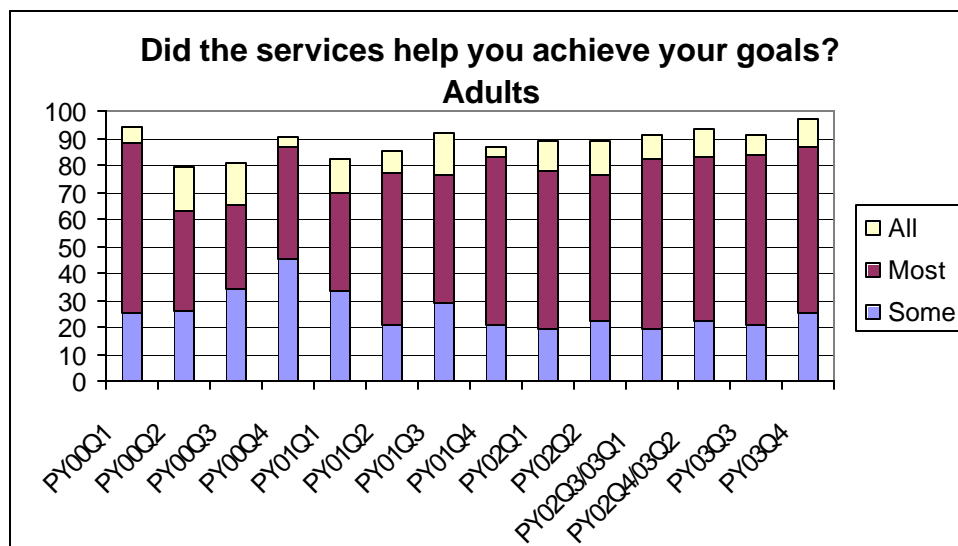
Like Adult participants, many Dislocated Workers also reported that they wanted to find a full-time job (76%), a job in a new field (30%) or a part-time job (2%) when they began receiving services from NH Works. Twenty percent mentioned that they wanted to improve their job skills.

Many Younger Youth participants explained that they wanted to earn a GED (30%) or improve their academic skills (25%) when they began receiving WIA services. A number of Younger Youth also mentioned that they wanted to find a full- (35%) or part-time job (20%), or to improve their job skills (20%).

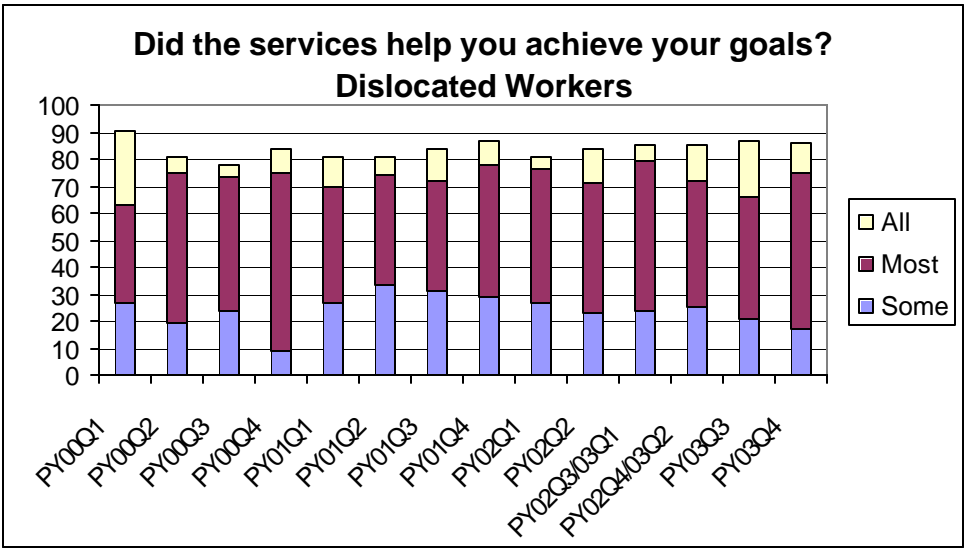
The sample size for older youth is too small to provide any meaningful analysis for this report.



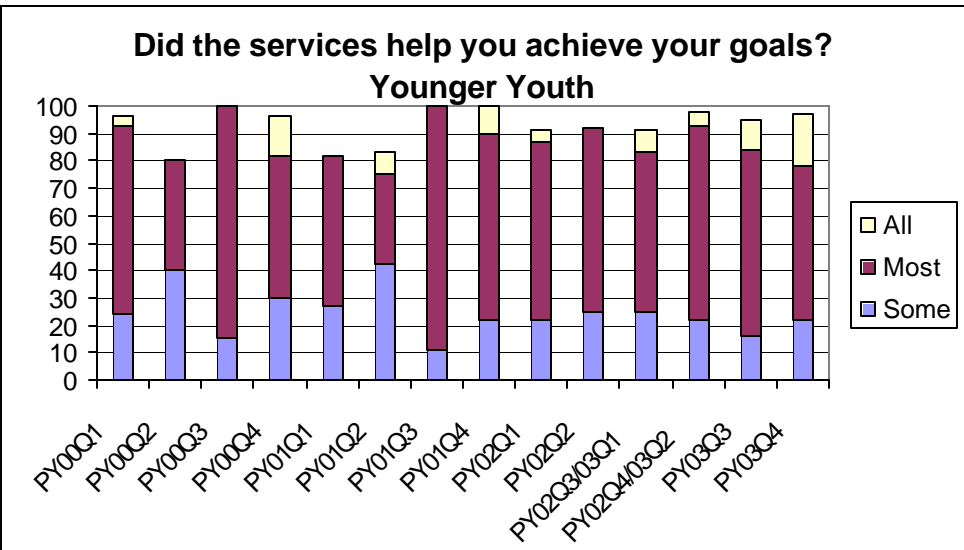
Despite the fact that many Adult participants remained unemployed after receiving services, in the latest survey a majority (97%) reported that the services they received through NH Works helped them to achieve all (10%), most (62%) or some (25%) of their goals. These results have remained relatively consistent since program year 2000.



Many Dislocated Worker participants (85%) also reported that the services they received through NH Works helped them to achieve all (11%), most (58%) or some (17%) of their goals. These results have also remained relatively consistent since 2000.



Nearly all Younger Youth participants (97%) indicated that the services they received helped them to achieve all (19%), most (56%) or some (22%) of their goals. These results have also remained relatively consistent since 2000.



The sample size for older youth is too small to provide any meaningful analysis.

Employers

Many employers learn about the service available from NH Works on their own, while others are referred by state or local agencies.

Employers were asked how they first learned about the services available through NH Works. In the most recent quarter, forty-three percent of employers reported that they learned about the services on their own (i.e., they were self-referred). Eighteen percent mentioned that they learned about the available services from a state or federal agency. Only three percent explained that they learned about NH Works from an advertisement or promotion. Twenty-eight percent of employers do not recall how they learned about NH Works.

Among employers who were self-referred, nearly one half (47%) noted that they turned directly to NH Works for information about the program. Twenty-nine percent noted that they looked for information from a business colleague, and an additional fifteen percent reported that they looked in the Yellow Pages. These results are similar to previous years' results.

The results continue to indicate that most employers interact with NH Works by telephone, and less frequently in person.

The results of the most recent survey continue to suggest that the vast majority of employers (99%) interact with representatives from NH Works by telephone. Significantly fewer employers (13%) reported that they met with a staff person from NH Works during the last quarter of program year 2003. Over time, communicating by telephone has become significantly more common than face-to-face communications.

Every employer surveyed for program year 2003 posted job orders in the past three months. Through the last quarter program year 2003, the average employer placed 2.4 job orders. This represents a slight increase from the program year 2002 average (2.2). Similarly, nearly every employer surveyed for program year 2003 listed job openings with a New Hampshire Works Job and Information Center. The average employer listed 5.1 job openings, which represents an increase from program year 2002 (4.4).

Employers continue to view the New Hampshire services as effective, and many would use the services again in the future.

Employers were asked if they would use the services they received again in the future. Ninety-two percent of employers reported that they probably (17%) or definitely would (75%) use the services provided by NH Works again. This result is similar to previous years.

Over one-third of employers (36%) said that the services provided by NH Works were more effective than the other methods that they use to find job applicants. This represents a slight decrease from program year 2002 (43%).

Approximately one-half of employers who were forwarded job applicants hired at least one applicant.

During the last quarter of program year 2003, 90 percent of employers reported that job applicants were forwarded to their company from NH Works. Among these employers, approximately one-half (41%) hired at least one applicant. Sixty-two percent of employers reported that the number of forwarded applicants met (45%) or exceeded (17%) their needs.

Among employers who did not hire any applicants, two-thirds (67%) explained that the applicant(s) was not qualified. Slightly fewer employers said that the position was filled by another applicant (25%).

There is no follow-up question on the survey asking the reasons why the employer thought the applicant was not qualified. The Workforce Opportunity Council has requested that RKM ask a 'follow-up' question to find out WHY the employer thinks the potential candidate was not qualified for the job.

Employers are concerned about many training and “soft skill” issues regarding the quality of the workforce.

While there was no follow-up question on the survey asking the reasons why the employer thought the applicant was not qualified, another part of the survey does ask about employer “areas of concern in the current workforce.” Although the series of questions regarding “current workforce concerns” are general questions not specific to the Council-served population, the answers to these questions might provide insight into why applicants might be perceived as unqualified.

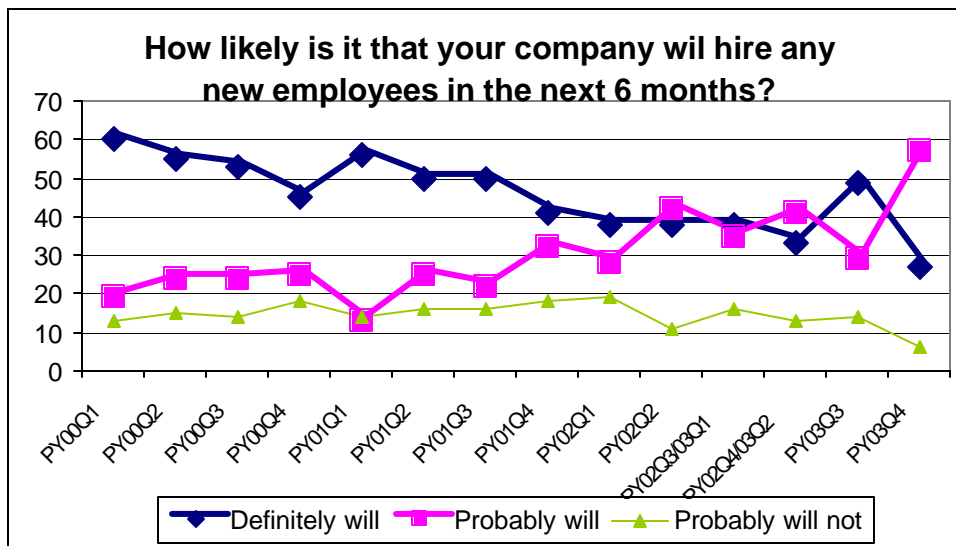
- According to the most recent employer survey, lack of training is the number one concern regarding the current workforce. Of the employers surveyed, 43% said “employees not well trained” was a major concern and another 43% identified training as a minor concern.
- Lack of work ethic, absenteeism and low productivity were other areas of concern.
- Lack of employees in the labor market has just recently become a concern among the New Hampshire employers surveyed.
- The lowest rated concerns about the workforce were “lack of English proficiency” and childcare.

The table below summarizes the results of the “current workforce concerns” in the most recent survey:

From the PY03 Q4 Customer Satisfaction Survey			
Questions to employers using WIA services	Major	Minor	Not a
<u>Areas of concern in the current workforce:</u>	<u>Concern</u>	<u>Concern</u>	<u>Concern</u>
Employees are not well educated?	13%	70%	17%
Employees are not well trained?	43%	43%	14%
Drug use among employees?	21%	38%	41%
Lack of English proficiency?	7%	26%	65%
Lack of work ethic?	34%	58%	6%
Absenteeism?	35%	56%	7%
Low productivity?	35%	55%	8%
Childcare?	5%	63%	30%
Lack of employees in the labor market?	32%	61%	5%

The most recent survey of employers indicates that more employers are planning to hire in the coming months.

Employers are asked how likely it is that their company will hire any new employees over the next six months. The most recent survey shows that 84% definitely will (27%), or probably will (57%), hire new employees in the next two quarters. This renewed interest in hiring correlates with increasing employer concerns regarding lack of employees in the labor market.



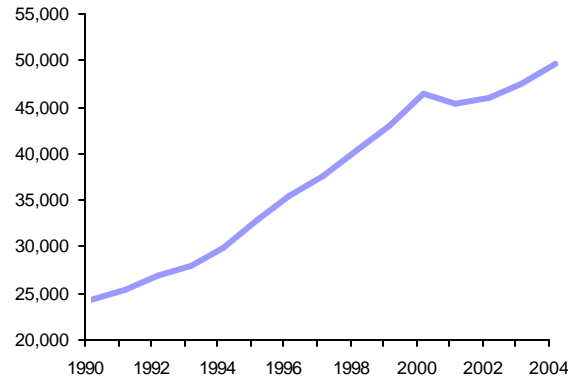
Appendix C

Economic Commentary

Economic Indicators

The national decline in economic activity in the year 2001 was mirrored in New Hampshire Gross State Product. The recession at the national level also led to a decline in Granite State economic activity. According to estimates from the Center for Study of Innovation and Productivity, New Hampshire's real GSP grew by 1.8% in 2002, consistent with the modest nature of the national recovery. New Hampshire GSP has grown almost equal to the national average for the years 2003 and estimated for 2004.

Gross State Product



Regional Data

The Federal Reserve Bank of Philadelphia calculates an Economic Activity Index for each state in the country. Data through July 2004 showed New Hampshire's economic activity increasing by 4.3 percent over the previous year, the highest growth rate among the New England states.

ECONOMIC ACTIVITY INDEX

(INDEX, JULY 2000=100, NOT SEASONALLY ADJUSTED)

Source Federal Reserve Bank of Philadelphia and New England
Economic Indicators

Date	CT	ME	MA	NH	RI	VT
2001 Average	142.7	134.1	171.6	164.6	141.7	143.9
2002 Average	140.9	134.1	162.9	164.1	144.6	143.2
2003 Average	139.6	134.6	160.8	166.8	149.6	142.9
Jul-02	140.8	134.3	162.8	164.3	144.7	143.1
Jul-03	139.3	134.4	160.6	166.9	149.9	142.8
Aug-03	139.5	134.7	160.9	167.4	150.5	143.3
Sep-03	139.7	135.1	161.5	167.9	151.3	143.3
Oct-03	140.0	135.5	162.0	168.5	151.7	143.9
Nov-03	140.4	135.9	162.4	168.9	152.2	144.4
Dec-03	140.7	136.2	162.1	169.5	152.7	144.7
Jan-04	141.4	136.6	163.0	169.9	153.2	145.8
Feb-04	141.8	136.9	163.5	170.4	153.6	146.2
Mar-04	142.1	137.2	164.3	171.1	153.7	146.8
Apr-04	142.6	137.6	165.5	171.7	153.8	147.1
May-04	143.0	138.0	165.6	172.4	154.0	147.3
Jun-04	143.3	138.2	166.3	173.3	154.1	147.5
Jul-04	143.6	138.4	167.0	174.1	154.4	147.6

Annual Percent Change

2002	-1.3%	0.0%	-5.1%	-0.3%	2.0%	-0.5%
2003	-0.9%	0.4%	-1.3%	1.6%	3.5%	-0.2%
Jul-04	3.1%	3.0%	4.0%	4.3%	3.0%	3.4%

New Hampshire Labor Market Area Unemployment Rates

Unemployment rates by labor market area clearly show the economic distress in Berlin in 2001 and the improvement in 2002 and 2003 as that area's unemployment rate dropped from 8 percent to about 3 percent. Unemployment rates in the New Hampshire communities that border Massachusetts tend to be higher than elsewhere in the state.

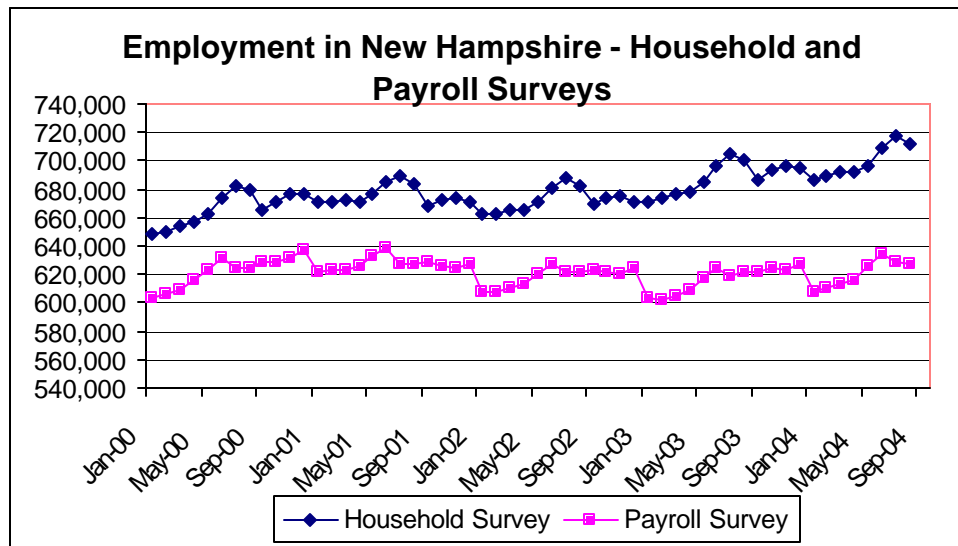
Unemployment Rates by Labor Market Area

	July 2002	July 2003	July 2004
BERLIN LMA	8.0%	3.9%	3.2%
CLAREMONT LMA	2.6%	2.6%	2.5%
COLEBROOK LMA	1.5%	1.8%	4.1%
CONCORD LMA	3.0%	3.0%	2.7%
CONWAY LMA	3.3%	3.0%	2.2%
KEENE-LMA, NH	2.8%	2.9%	2.7%
LACONIA LMA	3.0%	3.4%	2.5%
LANCASTER LMA	4.9%	4.5%	3.2%
LEBANON AREA, NH	1.5%	1.4%	1.4%
LITTLETON LMA	2.9%	2.9%	2.3%
MANCHESTER PMSA	4.4%	4.2%	3.8%
NASHUA PMSA	5.9%	5.3%	4.6%
PELHAM TOWN	7.0%	6.4%	6.7%
PETERBOROUGH LMA	3.9%	4.2%	4.0%
PLYMOUTH LMA	2.4%	2.6%	1.9%
PORTSMOUTH-ROCHESTER,	4.5%	3.9%	3.6%
SALEM-DERRY AREA	7.3%	6.5%	6.6%
SEABROOK, SOUTH HAMPTON	7.8%	6.5%	6.5%
New Hampshire	4.5%	4.1%	3.8%

Both surveys of job growth are (finally) showing gains.

There are two current surveys of job activity watched by economists – the household survey (people survey), which includes payroll workers, self-employed, agricultural workers, and entrepreneurs; and the payroll establishment survey (jobs survey), which excludes self-employed, agricultural workers, household workers, entrepreneurs and anyone else not subject to unemployment insurance requirements. The people survey always shows higher levels than the jobs survey, because the people survey includes more workers than are just in business establishments.

Over the past two years, these two key indicators of the number of jobs in the economy have followed divergent paths. The people survey pointed upward at the end of 2001, while the jobs survey continued to decline through 2002 and was flat through most of 2003. Now both surveys are showing job gains – In August 2004 the New Hampshire people survey showed 10,920 more employed than in the same month a year earlier, while the jobs survey showed a gain of 6,600 jobs for the same time period.



Detailed Employment Statistics

Wages

Granite State average weekly wages were highest in Hillsborough County, but the state saw the fastest weekly wage growth in Sullivan and Grafton counties between 2002 and 2003. Among industry sectors, Management of Companies and Enterprise sector wages increased the fastest between 2002 and 2003, followed by wage increases in Real Estate, and in Finance and Insurance services.

Average Weekly Wages by County (Quarterly Census of Employment and Wages, Q3)									
	Private Employment			Government Employment			Total Employment		
County	2002	2003	% Change	2002	2003	% Change	2002	2003	% Change
Belknap	\$537.12	\$539.96	0.5%	\$578.86	\$617.37	6.7%	\$541.94	\$549.53	1.4%
Carroll	\$446.95	\$457.84	2.4%	\$456.68	\$479.26	4.9%	\$447.97	\$460.00	2.7%
Cheshire	\$564.03	\$578.67	2.6%	\$513.54	\$534.55	4.1%	\$557.50	\$572.82	2.7%
Coos	\$475.57	\$503.24	5.8%	\$482.66	\$526.05	9.0%	\$476.78	\$507.03	6.3%
Grafton	\$644.31	\$697.19	8.2%	\$555.26	\$566.53	2.0%	\$634.76	\$682.58	7.5%
Hillsborough	\$750.84	\$780.85	4.0%	\$739.52	\$758.77	2.6%	\$749.76	\$778.71	3.9%
Merrimack	\$644.83	\$646.49	0.3%	\$615.58	\$631.79	2.6%	\$638.86	\$643.35	0.7%
Rockingham	\$680.39	\$685.49	0.7%	\$612.26	\$682.21	11.4%	\$674.60	\$682.21	1.1%
Strafford	\$619.49	\$633.21	2.2%	\$671.30	\$699.09	4.1%	\$629.69	\$646.27	2.6%
Sullivan	\$542.13	\$560.41	3.4%	\$509.53	\$658.91	29.3%	\$536.94	\$577.02	7.5%
New Hampshire	\$675.52	\$694.37	2.8%	\$627.46	\$654.86	4.4%	\$669.81	\$689.57	3.0%

Among industry sectors, Management of Companies and Enterprise sector wages increased the fastest between 2002 and 2003, followed by wage increases in Real Estate, and in Finance and Insurance services.

NAICS					2002 Qtr 3	2003 Qtr 3	
					Weekly Wage	Weekly Wage	% Change
11	Agriculture, Forestry, Fishing and Hunting				\$419.06	\$421.48	0.6%
21	Mining				\$846.30	\$827.59	-2.2%
22	Utilities				\$1,154.19	\$1,201.43	4.1%
23	Construction				\$770.85	\$755.22	-2.0%
31	Manufacturing				\$863.58	\$903.50	4.6%
42	Wholesale Trade				\$1,116.90	\$1,123.59	0.6%

NAICS		2002 Qtr 3	2003 Qtr 3	
		Weekly Wage	Weekly Wage	% Change
44	Retail Trade	\$448.32	\$471.42	5.2%
48	Transportation & Warehousing	\$594.46	\$596.78	0.4%
51	Information	\$1,027.77	\$1,032.69	0.5%
52	Finance & Insurance	\$986.54	\$1,055.39	7.0%
53	Real Estate and Rental and Leasing	\$809.11	\$874.68	8.1%
54	Professional, Scientific, and Technical Services	\$1,029.05	\$1,041.74	1.2%
55	Management of Companies and Enterprises	\$1,174.51	\$1,272.19	8.3%
56	Administrative and Support and Waste Management	\$527.15	\$546.16	3.6%
61	Educational Services	\$688.41	\$716.47	4.1%
62	Health and Social Assistance	\$665.15	\$686.21	3.2%
71	Arts, Entertainment, and Recreation	\$293.84	\$293.36	-0.2%
72	Accommodation and Food Services	\$281.41	\$286.22	1.7%
81	Other Services (except Public Administration)	\$496.79	\$502.10	1.1%
99	Unclassified	\$981.60	\$1,416.81	44.3%
	Government	\$627.46	\$654.86	4.4%
	Federal	\$973.86	\$1,043.96	7.2%
	State	\$611.06	\$633.25	3.6%
	Local	\$571.50	\$595.65	4.2%

Employment by Industry

On net New Hampshire lost 1,800 jobs from 2002 to 2003- losing industries shed 8,400 jobs, while gaining industries added 6,600 positions. Manufactured durable goods accounted for almost half of the jobs lost between 2002 and 2003. Local Government accounted for the largest share of the job gaining industries, followed by Construction and Ambulatory Health Care Services.

CES Annual Employment for New Hampshire	2003 Employment	2002 Employment	Emp Chg
Total Nonfarm	616,600	618,400	-1,800
Natural Res & Mining	1,000	900	100
Construction	28,800	27,900	900
Manufacturing Durable Goods	59,300	63,300	-4,000
Manufacturing Non-Durable Goods	20,700	21,700	-1,000
Wholesale Trade	26,800	26,600	200
Retail Trade	96,200	95,900	300
Utilities	2,900	2,900	0
Transport & Warehousing	12,800	12,900	-100
Information	12,000	12,900	-900
Finance and Insurance	29,400	28,900	500
Real Estate and Rental and Leasing	7,800	7,700	100
Professional, Scientific and Technical Services	24,400	25,000	-600
Management of Companies and Enterprises	6,300	6,500	-200
Administrative and Support and Waste Mngmnt and Remediation Services	23,200	22,800	400
Educational Services	21,500	21,100	400
Ambulatory Health Care Services	25,100	24,400	700
Hospitals	22,900	22,700	200
Other Health Care and Social Assistance	23,700	23,600	100
Arts, Entertainment and Recreation	11,500	10,900	600
Accommodation	9,300	9,400	-100
Food Services and Drinking Places	41,100	40,600	500
Other Services	20,200	21,600	-1,400
Federal Government	8,000	8,100	-100
State Government	22,900	22,600	300
Local Government	58,900	57,600	1,300

Employment by Occupation

Another way to examine job change in New Hampshire is to look at employment by occupation. The tables below show job and wage change from 1999 to 2003 for major occupational categories divided into four groups – 1) occupations gaining jobs and wages increasing faster than inflation, 2) occupations gaining jobs and wages losing ground, 3) occupations losing jobs, but wages increasing faster than inflation, and 4) occupations where both jobs and inflation adjusted wages have declined.

	Change from 1999 to 2003	
NH Occupations Gaining Jobs, Wages Up Faster than Inflation	Job Change	Real Wage Change
Food preparation and serving related occupations	6,650	1.24%
Healthcare practitioners and technical occupations	2,670	0.98%
Sales and Related Occupations	2,070	10.88%
Construction and Extraction Occupations	2,070	0.81%
Architecture and engineering occupations	530	2.45%
NH Occupations Gaining Jobs, Wages Growing Slower than Inflation		
Education, training, and library occupations	5,450	-4.40%
Personal care and service occupations	2,970	-2.60%
Business and Financial Operations Occupations	2,830	-4.88%
Transportation and Material Moving Occupations	1,530	-0.26%
Building and grounds cleaning and maintenance occupations	1,350	-0.18%
Healthcare support occupations	1,190	-2.41%
Life, physical, and social science occupations	560	-7.82%
NH Occupations Losing Jobs, Wages Up Faster than Inflation		
Installation, Maintenance, and Repair Occupations	-570	0.98%
Computer and mathematical occupations	-750	1.35%
Community and social services occupations	-1,940	4.69%
Management Occupations	-7,470	8.78%
Production Occupations	-13,630	3.04%
NH Occupations Losing Jobs, Wages Growing Slower than Inflation		
Farming, Fishing, and Forestry Occupations	-110	-15.17%
Legal occupations	-410	-29.56%
Protective service occupations	-550	-5.54%
Arts, design, entertainment, sports, and media occupations	-590	-3.90%
Office and Administrative Support Occupations	-1,830	-4.15%

Healthcare technical occupations, construction and engineering have also seen gains in both jobs and wages. Education, personal care and social science occupations have seen more jobs, but wages have not kept pace with inflation. IT professionals (computer and mathematical occupations) and manufacturing workers (production occupations) have seen job losses, but inflation-adjusted wages for those groups actually rose from 1999 to 2003. Worst off are the office administrative workers and protective service occupations, which have seen declines in number of positions and real wages.

WIA Annual Report Data

State Name: NH

Program Year: 2003

Table A: Workforce Investment Act Customer Satisfaction Results

Customer Satisfaction	Negotiated Performance Level	Actual Performance - Level - American Customer Satisfaction Index	Number of Surveys Completed	Number of Customers Eligible for the Survey	Number of Customers Included in the Sample	Response Rate
Participants	75	72.4	1,387	1,981	1,981	70
Employers	73	71.3	501	850	716	70

Table B: Adult Program Results At-A-Glan

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	75	74	373
			504
Employment Retention Rate	85	89.9	452
			503
Earnings Change in Six Month	1,650	1,591	800,266
			503
Employment and Credential Rate	61	68.1	295
			433

Table C: Outcomes for Adult Special Populations

Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals With Disabilities		Older Individuals	
Entered Employment Rate	67.8	61	71.1	27	59.2	29	63.6	21
		90		38		49		33
Employment Retention Rate	80.9	38	80	28	91.2	31	91.1	41
		47		35		34		45
Earnings Change in Six Months	2,737	128,639	1,553	54,370	2,406	81,789	-49	-2,191
		47		35		34		45
Employment and Credential Rate	59.5	50	61.3	19	43.8	14	65.4	17
		84		31		32		26

Table D: Other Outcome Information for the Adult Program

Reported Information	Individuals Who Received Training Services		Individuals Who Only Received Core and Intensive Services	
Entered Employment Rate	75.2	243	71.8	130
		323		181
Employment Retention Rate	91.4	296	87.2	156
		324		179
Earnings Change in Six Months	1,468	475,751	1,813	324,515
		324		179

Table E: Dislocated Worker Program Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	80	76.2	656
			861
Employment Retention Rate	85	89.5	504
			563
Earnings Replacement in Six Months	84	76.6	6,921,663
			9,041,288
Employment and Credential Rate	65	71.2	314
			441

Table F: Outcomes for Dislocated Worker Special Populations

Reported Information	Veterans		Individuals With Disabilities		Older Individuals		Displaced Homemakers	
Entered Employment Rate	67.3	72	73	27	68.5	87	100	1
		107		37		127		1
Employment Retention Rate	88.6	62	90	27	87	67	100	1
		70		30		77		1
Earnings Replacement Rate	64.8	941,591	87.2	302,399	56.5	810,064	55.6	23,158
		1,453,297		346,835		1,434,563		41,667
Employment And Credential Rate	67.3	35	61.5	8	61.5	40	100	1
		52		13		65		1

Table G: Other Outcome Information for the Dislocated Worker Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Core and Intensive Services	
Entered Employment Rate	81.2	358	71	298
		441		420
Employment Retention Rate	89.5	274	89.5	230
		306		257
Earnings Replacement Rate	83.6	3,730,679	69.7	3,190,984
		4,460,119		4,581,169

Table H: Older Youth Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	71	87.5	21
			24
Employment Retention Rate	76	68.6	24
			35
Earnings Change in Six Months	1,900	2,012	70,409
			35
Credential Rate	51	60	21
			35

Table I: Outcomes for Older Youth Special Populations

Reported Information	Public Assistance Recipients		Veterans		Individuals With Disabilities		Out-of-School Youth	
Entered Employment Rate	80	4	100	1	90.9	10	85	17
		5		1		11		20
Employment Retention Rate	60	3	100	1	63.2	12	70	21
		5		1		19		30
Earnings Change in Six Months	4,130	20,650	1	1	883	16,780	1,818	54,538
		5		1		19		30
Credential Rate	50	3	100	1	61.5	8	58.6	17
		6		1		13		29

Table J: Younger Youth Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	
Skill Attainment Rate	72	78.1	918
			1,176
Diploma or Equivalent Attainment Rate	67	66.8	211
			316
Retention Rate	69	74.5	202
			271

Table K: Outcomes for Younger Youth Special Populations

Reported Information	Public Assistance Recipients		Individuals Disabilities		Out-of-School Youth	
Skill Attainment Rate	76.9	83	78.4	732	67.4	217
		108		934		322
Diploma or Equivalent Attainment Rate	72.7	24	67.9	169	51.8	59
		33		249		114
Retention Rate	75.9	22	74.2	158	70	84
		29		213		120

Table L: Other Reported Information

	12 Month Employment Retention Rate		12 Mo. Earnings Change (Adults and Older Youth) or 12 Mo. Earnings Replacement (Dislocated Workers)		Placements for Participants in Nontraditional Employment		Wages At Entry Into Employment For Those Individuals Who Entered Employment Unsubsidized Employment		Entry Into Unsubsidized Employment Related to the Training Received of Those Who Completed Training Services	
Adults	87.1	371	1,122	478,028	0	0	4,700	1,753,225	0	0
		426		426		1		373		1
Dislocated Workers	87.3	441	75.6	5,856,602	0	0	6,452	4,232,463	0	0
		505		7,747,834		1		656		1
Older Youth	66.7	24	1,489	53,599	0	0	2,126	44,656		
		36		36		1		21		

Table M: Participation Levels

	Total Participants Served	Total Exiters
Adults	923	660
Dislocated Workers	1,184	755
Older Youth	82	36
Younger Youth	674	427

Table N: Cost of Program Activities

Program Activity			Total Federal Spending
Local Adults			\$4,028,766.00
Local Dislocated Workers			\$5,128,765.00
Local Youth			\$6,447,550.00
Rapid Response (up to 25%) 134 (a) (2) (A)			\$634,350.00
Statewide Required Activities (up to 25%) 134 (a) (2) (B)			\$1,152,832.00
Statewide Allowable Activities 134 (a) (3)	Program Activity Description	Training Activities	\$107,507.00
		Technology Sys Oversight	\$81,461.00
		Capacity bldg/sys dev	\$23,404.00
		Outreach/other Program activities	\$1,287,757.00
Total of All Federal Spending Listed Above			\$18,892,392.00

WIA Annual Report Data

State Name: NH

Program Year: 2003

Table O: Summary of Participants

Local Area Name: New Hampshire Workforce Opportunity Council	Total Participants Served	Adults	923
		Dislocated Workers	1,194
		Older Youth	82
		Younger Youth	674
	Total Exiters	Adults	660
		Dislocated Workers	755
		Older Youth	36
		Younger Youth	427

		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants	75	72.4
	Employers	73	71.3
Entered Employment Rate	Adults	75	74
	Dislocated Workers	80	76.2
	Older Youth	71	87.5
Retention Rate	Adults	85	89.9
	Dislocated Workers	85	89.5
	Older Youth	76	68.6
	Younger Youth	69	74.5
Earnings Change / Earnings Replacement in Six Months	Adults(\$)	1,650	1,591
	Dislocated Workers	84	76.6
	Older Youth (\$)	1,900	2,012
Credential / Diploma Rate	Adults	61	68.1
	Dislocated Workers	65	71.2
	Older Youth	51	60
	Younger Youth	67	66.8
Skill Attainment Rate	Younger Youth	72	78.1
Description of Other State Indicators of Performance			
N/A			
Overall Status of Local Performance		Not Met	Met
		0	17
			Exceeded
			9